

Annual Report

**in terms of Section 121 of the Municipal Finance
Management Act (Act 56 of 2003), read together with Section
46 of the Local Government: Municipal Systems Act
(Act 32 of 2000)**

2005/06 Financial Cycle

January 2007

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Foreword by the Executive Mayor

I took office as Executive Mayor on 16th March 2006, nine months through the financial year, and am writing this review in December 2006, six months after the end of the financial year. I will therefore include some comments on the organisational changes that have been made subsequent to the financial year-end, as they are relevant to the achievement of the goals of the new political leadership and administration.

My new Executive Mayoral Committee immediately committed itself to discharging its responsibilities to deliver services, to ensure integrated sustainable development and to embark on a long-term process to become a well-governed, corruption-free, developmental municipality.

A fundamental aspect of our approach is that we will more actively engage with all of our communities in the affairs of planning, service delivery and performance management, and make sure that the outcomes of these processes are carried through into the fabric of the administration and the new IDP.

In this respect, we are currently engaged in the crafting of a new corporate strategy, the revision of the organisational structure, and the drafting of a new generation IDP which will form the basis for the rendering of sustainable and equitable services to all of our communities. These initiatives will culminate in the 2007/2008 budget, which will bear the strategic intent and programs of the new political and administrative leadership.

A number of significant changes were put into effect during the financial year. Firstly, the municipal manager, Mr. Bruce Kannemeyer, left the service of the municipality on 30th April 2006. Various Section 57 Officials acted until Dr. Len Mortimer assumed the role of full-time acting municipal manager on 1 September 2006 until 31 December 2006. Mr Dave Daniels has been appointed municipal manager with effect from 1st January 2007.

I wish to thank Dr Mortimer for his very valuable contribution and the way he tackled a very difficult task in order to get this organisation back on track after staff morale reached an all time low and the administrative effort that followed the changing of political control in March 2006.

In May 2006 I committed the MAYCO and Council to the eradication of all forms of corruption and malpractice within both the political and administrative environments. I can now report that several cases of alleged corruption involving many millions of rands have been uncovered and are being investigated by the authorities. We will not let up in our efforts to root out corruption and will adopt policies and strategies to protect whistle-blowers and encourage the reporting of corruption.

We are in the process of substantially overhauling the performance management assessment systems of senior staff, in order to improve service delivery, and have not approved the recommended performance management bonuses of the Section 57 managers for the year under review.

I have also embarked on an extensive consultation process of meeting important role players and stakeholder groups which informed a new strategy for Stellenbosch and reinventing it.

The Stellenbosch and Franschhoek areas are now amongst the most sought after property investment destinations in the South Africa. Our administration will have to carefully plan and manage this demand for development. This is to ensure that the maximum number of persons, particularly the most disadvantaged, benefit from the use of limited resources, and, secondly, that our unique natural and cultural resources are not compromised, and are used sustainably for the benefit of future generations. We have also begun a joint sustainable planning partnership with the University of Stellenbosch as part of this exercise, and have taken cognisance of the challenges and limitations on growth that are posed by the effects of climate change.

I submit herewith my Annual Report for the 2005/2006 financial year. The basic information contained in this report indicates positive results and financial sustainability, which can be attributed to the large core of competent officials we are fortunate to have.

EL MAREE

CHAPTER 1

Introduction and overview

1.1 INTRODUCTION

This Annual Report is compiled for the financial year 2005/2006. The purpose of this report is:

- (a) To provide a record of the activities of the municipality during the financial year to which the report relates;
- (b) To provide a report on performance against the budget of the municipality for that financial year; and
- (c) To promote accountability to the local community for the decisions made throughout the year by the municipality.

In the Chapters to follow, some performance highlights are given. An update of human resources and organisational management is provided. This is followed by Audited statements and related financial information. A study of the information provides concise picture of the financial position of Stellenbosch Municipality.

Reporting on the functional service delivery gives an insight in terms of specific services, the municipality's mandate to perform that service, together with the strategic objective of the functions. Certain key issues are highlighted and gaps in service delivery stated. These functions are analyzed and mechanisms to overcome the gaps are set out, introduced and followed up.

This report ends with a concluding remark.

1.2 OVERVIEW OF THE MUNICIPALITY

The Municipal Area covers an area of approximately 900 square kilometres with a series of mountains, hills and valleys. The area is internationally renowned for its beautiful environment, many places of interest, wine farms, street cafés and restaurants, quality wines of all types and styles and fine brandies, mountains and nature trails, and excellent educational institutions.

The major portion of the municipal area is utilised for agricultural purposes and it also includes the following towns and settlements:

- Stellenbosch Town;
- Franschhoek Town;
- Settlements to the north of Stellenbosch (De Novo, Muldersvlei, Klapmuts, Elsenburg and Koelenhof);
- Settlements to the south and west of Stellenbosch (Vlottenburg, Lynedoch, Raithby and Jamestown);
- Settlements in the Dwars River Valley east of Stellenbosch (Johannesdal, Kylemore, Pniel, Lanquedoc and Great Drakenstein); and
- Settlements in the Franschhoek Valley (Wemmershoek, La Motte and Maasdorp).

1.3 DEMOGRAPHIC PROFILE (2001 Census data)

Population Group

African	24 188	20.5%
Coloured	67 520	57.4%
Indian	239	0.2%
White	25 760	21.9%
Total population	117 706	100.0%

Age

0 to 4	9 468	8.0%
5 to 14	20 382	17.3%
15 to 34	49 281	41.9%
35 to 64	33 246	28.3%
65 +	5 325	4.5%

Highest education levels attained by over 20 year olds

No schooling	4 290	5.7%
Some primary	12 285	16.5%
Complete primary	5 793	7.8%
Secondary	23 211	31.1%
Grade 12	16 188	21.7%
Higher	12 861	17.2%

Annual household income

None	3 000	10.4%
R1 - R9 600	2853	10.0%
R9 601 - R19 200	4 272	14.9%
R19 201 - R38 400	6 189	21.5%
R38 401 - R76 800	5 403	18.8%
R76 801 - R153 600	3 642	12.7%
R153 601 - R307 200	2 040	7.1%
R307 201 - R614 400	834	2.9%
R614 400 +	510	1.7%

Labour Force

Employed	43 530	82.9%
Unemployed	8 952	17.1%
Total labour force	52 482	100.0%
Not economically active	30 540	

Language

Afrikaans	87 261	74.1%
IsiXhosa	20 223	17.2%
English	8 088	6.9%
Sesotho	1 143	1.0%
Other	991	0.8%

1.4 MUNICIPALITY STAFF AND DEPARTMENTS

OFFICE OF THE MUNICIPAL MANAGER

The Office of the Municipal Manager consisted of the Municipal Manager which incorporated Policy Development, Strategic Services and Area Managers. The total number of employees was 62 and the Operating budget was R4.73m and a Capital budget of R2.43m for the 2005/2006 financial year.

Since the Municipal Manager, Mr. Bruce Kannemeyer resigned, this office was reorganised.

ECONOMIC FACILITATION SERVICES

This department currently consists of the Executive Director, Assistance to the Executive Director (2 employees), Cultural Landscape and Maintenance (18 employees), Planning (9 employees), Local Economic Development (3 employees), Building Control (12 employees) and Administration (13 employees), bringing the total number of employees to 551.

PUBLIC WORKS

The Department Public Works currently consists of the Executive Director, Assistants to the director (6 employees), Civil Engineering and Technical Services (356 employees) and Electrical Engineering Services (70 employees) as well as Housing Delivery [PMU] with 5 employees, bringing the total number of employees to 438.

The Department's operating budget*) for the 2005/2006 financial year was as follows:

Civil Engineering	R98 928 939m
Electrical Engineering	R115 949 068m
Total	R214 878 007m

SOCIAL DEVELOPMENT SERVICES

The cluster of Social Development Services currently consists of an Executive Director, a Personal Assistant and two Directors responsible for the two directorates of Community Services and Public Safety. These two directorates consist of the following staff members:

Community Services

A Director, a Personal Assistant to the Director, Health Services (45 employees), Environment and Recreation Management (152 employees), Housing Administration (20 employees) and Library Services (35 employees).

This Department had an operating budget*) of R67,73m for the 2005/2006 financial year.

Public Safety

A Director, a Personal Assistant to the Director, Traffic Services (86 employees), Shared Services (50 employees) and Fire and Rescue Services (43 employees).

This Department had an operating budget* of R56,7m for the 2005/2006 financial year.

This cluster is committed to excellent service delivery and makes an effort to satisfy the needs of all the people of the Greater Stellenbosch. Suggestions and complaints from the public are responded to quickly and efficiently. During this period the cluster continued with the staff wellness programme and successfully conducted a workshop which was initiated by the Section of Environment & Recreation Management and facilitated by

*) This is the operating budget before "less debited elsewhere")

Siyakhana consultants, with members of staff on issues related to the Code of Conduct for Staff Members and what is expected of municipal employees to render quality service to all the communities in our Area.

SUPPORT SERVICES

Corporate Services

This Department currently consists of a Director, Assistants to the director (2 employees), Documents and Land Management (13 employees), Secretariat and Administration (7 employees) and Human Resource Management (7 employees), Legal Services (1 employee), bringing the total number of employees to 31.

This Department had an operating budget* of R24.89m for the 2004/2005 financial year.

Financial Services

This Department consists of the Chief Financial Officer, 1 Personal Assistant, Budget Office (10 employees), Supply Chain Management (7 employees), Expenditure and Assets (18 employees), Income (39 employees) and Information Technology (9 employees), bringing the total number of employees to 85.

This Department had an operating budget* of R25, 07 million for the 2005/2006 financial year.

1.5 CONSIDERATION OF THIS REPORT BY WAY OF AN “OVERSIGHT” PROCESS

The tabling of this Annual Report will follow an extensive oversight process by the Municipal Council over the next two months. During this period public consultation and inputs will be obtained and all stakeholders will be welcome to provide inputs and comments. These inputs will form part of the oversight role of non-executive Councillors in compiling an Oversight Report. This Oversight Report will make recommendations to the Municipal Council and will conclude in proposing that the Annual Report:

- be approved; or
- be amended and approved; or
- not be approved.

1.6 SCOPE OF REPORT: MUNICIPAL ENTITIES

This report covers the activities of the municipality of Stellenbosch. The municipality does not possess any municipal entities to report on.

The definition of a municipal entity is:

- (a) a private company referred to in Section 86B(1)(a);
- (b) a service utility; or
- (c) a multi-jurisdictional service utility.

CHAPTER 2

Performance highlights

2.1 OFFICE OF THE MUNICIPAL MANAGER

GENERAL INFORMATION

The Office of the Municipal Manager created capacity for specific functions of Policy Development, Executive Support, Gender, Youth and Disability Desk and Area Managers. Existing Capacity for Communications and Strategic Services was also part of this Office.

Since the Municipal Manager left on 30 April 2006, the Executive Mayor and MAYCO adopted a new approach to become more involved in their supervisory role. Power shifted back to the MAYCO and drastic changes and unbundling of the Office of the Municipal Manager followed.

INTERNAL AUDIT

During the last couple of years significant attention was given on the independence of Internal Audit and with effect from 1 July 2004 Internal Audit reports directly to the Audit Committee functionally. An internal audit annual plan based on the risk management strategy and risk assessment was prepared. The internal audit activities therefore included and focused on high-risk areas. Two independent audit firms assist the internal audit department with performance measurement and risk based audits.

The members of the Audit Committee are as follows:

Mr AM Vos	Attorney	Stellenbosch
Mr J Pretorius	Chartered Accountant	Stellenbosch
Ms RLC Strydom	Financial Consultant	Stellenbosch

2.2 ECONOMIC FACILITATION SERVICES

The work of the Department Economic Facilitation Services for the past financial year was primarily influenced by its desire to deliver an efficient and cost effective service delivery to the economic citizens of the Stellenbosch Municipal area. Hence, concerted effort has been made to develop the appropriate mechanisms for service delivery. Closely linked to above-mentioned process was the constant focus on the institutional resources to drive the delivery process. Special emphasis was placed on the building and strengthening of partnerships with other local authorities, the district municipality, provincial and national government departments and governmental implementing agencies. Some of the successes of the efforts to increase internal effectiveness and efficiencies and strengthening external links are reflected in the following activities:

- The advertising and filling of a substantive number of vacant posts.
- The establishment of an Advice Centre for direct assistance and access to information by the broader public.
- The successful engagement with Small Enterprise Development Agency (SEDA) and the Winelands District Municipality to establish a SEDA branch in Stellenbosch.
- Participation in the preparations of the District Growth and Development, and District Growth and Development Strategy;

- The signing of a three year partnership and co-funding agreement with Provincial Economic Development Department to establish mobile (Real Enterprise Development (RED) Door offices in different towns within the Greater Stellenbosch area.
- Redesign of the business licence application form and a more efficient business application process.
- The accreditation of the Local Tourist Offices with Cape Town Routes Unlimited.
- The investigation and deliberation with provincial and national departments to establish an organic produce village for small farmers.
- Completion of the Managed Land Settlement Framework.
- Completion of the Stellenbosch Spatial Development Framework (WC 024)
- Staff training: Senior personnel completed a Management course
- Major maintenance projects that was completed:
 - Kayamandi: Centre for Elders
 - Kayamandi Administration: Extensions and Alterations
 - Kayamandi Clinic: Extensions and Alterations
 - Groendal Clinic: Extensions and Alterations
 - Klapmuts Clinic: Extensions and Alterations
 - Kylemore Clinic: Extensions and Alterations
 - Raithby Sportsground: Additional cloakrooms – phase 1
 - Kylemore Sportsground: Cloakrooms – phase 1
 - Kylemore Community Hall
 - Cloetesville Skills Centre
 - Traffic department; Extensions and Alterations
 - Franschhoek Fire Station
 - Painting of Town hall

We do believe that a solid foundation has been set during the past financial year in the sense that we have attempted to foster a more integrated approach towards the work of the department by creating synergies between different functions and responsibilities of jobs within the department in order to deliver on its organisational objectives. Further development and enhancement of this approach will enable the department to add more value and depth to the overall mandate of council in the coming financial year.

2.3 SOCIAL DEVELOPMENT SERVICES

ENVIRONMENT & RECREATION:

Sport

- Continuation of the Siyadlala Mass Participation Programme and establishment of learn-to-swim pilot programme for 70 children of which 4 achieved Maties swimming colors. The programme was positively accepted by the communities of Cloetesville and Kayamandi. The children participated in the South African indigenous games held in Oudtshoorn in 2006. The programme has been implemented in the 6 schools in our area.

- R2 million was received from National Government for the development of Kayamandi sports field. Phase 1 was successfully completed and consists of one rugby field and one soccer field. Full play equipment and a clubhouse will follow during phase 2. The Provincial Minister of Sport and Culture, Mr. Whitey Jacobs opened the sports field with the community of Kayamandi joining in the festivity.
- R150 000 was received from the Western Province Rugby Union for the installation of Floodlights in Raithby. This project has been successfully completed.
- Phase 1 of the Kylemore clubhouse was completed successfully.
- The Sport section hosted a very successful soccer tournament for Junior Girls and Boys in Cloeteville and Idas Valley.
- Assisted Usiko Youth Development project team in hosting their tournament in Cloeteville.
- We received R200 000 from W.P. Rugby Union for a rugby clubhouse to be built in Franschhoek.
- Kayamandi and Klappmuts sports council has finally been established.
- Hosted sports day for a local Church and the SAPS.
- Hosted Rugby Craven week tournament in Stellenbosch.
- Sports Development: The following amounts were allocated to the different communities according to the sports council (SSRA) and community sporting needs.

Cloeteville - Cricket facilities: R 113 239

Idas Valley Cricket facilities: R73 790

Van der Stel Cricket facilities: R 51 310

Raithby Cricket facilities: R 40 000

Kylemore: R 56 831

Pniel Cricket facilities: R 78 437

Klappmuts Cricket facilities: R 54 857

Upgrading of the Cloeteville tennis courts and fencing: Project 100% completed. The community is not utilizing the facility, instead it is getting vandalized.

Parks

- Upgrading of open spaces into parks in Lindida and Cluver Road with play equipment, benches and refuse bins. Ten park benches placed in various parks.
- Upgrading of pathways in parks in Lindida, Cloeteville and Kayamandi.
- Placement of information boards on 95% of all parks and public open spaces.
- Develop a new park in Kayamandi.
- Benches and refuse bins were installed and paths developed in Franschhoek.
- Beautification of town entrance at Groendal, Franschhoek.
- Fencing and tree planting in Mooiwater, Franschhoek.
- Install play equipment at Groendal, Franschhoek.

Beautification

- R44 – Upgrading of flowerbeds and irrigation.
- Irrigation of landscaping and irrigation at Sokuqala Street, Kayamandi.
- Landscaping and irrigation installation at corner of Adam Tas and R44.
- Upgrading of landscaping and irrigation at the Rose garden – Rhenish Complex.
- Voorgelegen – Palisade Fence and Gate installation.

Environmental Management

- R10 000 donated by Dr Anton Rupert for improvement of Jan Marais nature reserve. The money was well spent and the project was successfully completed.
- Playing equipment was installed on the lawn of the nature reserve.
- Development plan for Papegaaiberg is in process.
- More than 90% of timber harvested after the fire on Papegaaiberg was sold with no loss from any fire diseases.
- Jonkershoek Picnic site is very popular. This site was marketed and maintained well. It is evident that the public is in need of an outdoor facility.
- Much less wild fires occurred in the nature areas this year compared to the previous year.
- The management of municipal cemeteries were transferred to this section in September 2005.

SECTION: HOUSING ADMINISTRATION

SQUATTER CONTROL

- Management of effective demolition of illegal structures within prescribed format and legislation.
- Initiated legal proceedings in events of illegal land invasions and erecting of illegal structures.

COMMUNICATION

- Regular healthy communication and intervention by Housing Personnel prevented illegal occupation of rental units and land invasions.
- House visits by qualified Social Workers assisted in elderly receiving monthly grants / pensions and municipal subsidies.

PERSONNEL ISSUES

- The appointment of a second Housing Area Manager, assisted with the dividing the WC 024 into two areas, which led to the even and fair distribution of the workload.

SECTION: LIBRARIES

Displays

Every month displays are put up to promote the library material (books, CD's, video's, DVD'S, magazines, newspapers), reading and important National Days like World Aids Day and Woman's Day. The book displays of different authors and topics are highly enjoyed and appreciated by the public.

Library Week

The municipality once again held a very successful library week. The main objectives of this Week is firstly to promote the use of public libraries and its services as extensively as possible to all the inhabitants of the Greater Stellenbosch Area and secondly the provision of library material to enable libraries to establish a reading culture. This annual library

week is a highlight at all of the six libraries within our boundaries. The theme for this year was **Libraries: partners in learning, nation building and development**. Programmes to toddlers, teenagers, adults and senior citizens were provided. The Provincial Library Services provide posters, bookmarks, stamps and plastic bags as promotional items.

Holiday programmes

During the June -, September - and December Holidays the libraries provide educational programmes to keep children creatively busy during these holidays. Programmes include puppet shows, face painting, art and crafts, colour-in competitions, drama, magic show, storytelling etc.

Storytelling

Once a week, stories are told to the young ones. Crèche, nursery schools and pre-primary schools visit the libraries for storytelling. The children enjoy the stories, because every child face tells a story.

Old Age homes

Twice a month the Library Personnel visit nine (9) Old Age Homes in our Area to exchange books. The senior citizens are looking forward to these visits and enjoy a friendly chat.

Hall use

The hall is used frequently by many Organizations, Municipal officials and others.

DEPARTMENT PUBLIC SAFETY

SECTION: FIRE AND RESCUE SERVICES

- Seasonal fire fighters: - This project has proven very successful and during the December 2005 peak season, 10 persons from the disadvantaged areas of Stellenbosch have been employed to assist the Fire Services with the fires during this time. This project also helps to eradicate unemployment in our area.
- Volunteer fire fighters: - As a result of our success with the seasonal fire fighters, more and more people from the community are applying to become involved in their communities by joining the Fire Services' Volunteer Corps. These members deliver an excellent support service to the fire department.
- Public safety in the informal areas: This project has proven to be very successful. This can be seen from the positive decline of fires in our informal areas.
- Capital projects: R 1.1 million was budgeted as a part payment towards the purchasing of a new fire engine for the 2005-6 financial year

SECTION: SHARED SERVICES

Capital projects were undertaken to achieve the upgrading of the administrative offices of the division and the installation of CCTV cameras in Greater Stellenbosch.

DISASTER MANAGEMENT

- The Disaster Management Operational Manual Phase 2 was compiled and includes contingency plans for all identified hazards, appropriate Standing Operating Procedures (SOP's), Evacuation Plans, Response and Relief Plans.
- A two-day workshop was presented in May 2006 by DimTech (Disaster Risk Management Training and Education Centre for Africa) to councillors and senior officials. The main focus of the programme was to equip officials and councillors with a better understanding of disaster management as defined in the Disaster Management Act (Act 57 of 2002).
- Since July 2005 up to June 2006 fires swept through the informal settlements. The people affected were assisted with emergency relief and shack dwellers were re-allocated under guidance of the Ward Councillors and the Disaster Management Team.

OCCUPATIONAL HEALTH & SAFETY

- Mr. Jonathan May, previously a Senior Inspector at the Department of Labour, Western Cape, was appointed Occupational Health & Safety Officer as from February 2006.
- A municipal wide risk audit was done which included Incident records and control as well as Fire protection & prevention. Shortcomings could be addressed and correctional actions could then be prioritised to ensure compliance with the law and a safe working environment.
- All Safety Representatives and First Aiders, Council wide were reviewed for further top-up training, new appointments, etc. Employees were identified for first aid training which kicked off in May 2006.

LAW ENFORCEMENT

In May 2006 Law Enforcement, SAPS and other municipal departments embarked on an Operation Clean-Up of the Bergzicht Market and Bloemhof Parking which were highly successful.

Operations in various residential areas were launched in partnership with the SPCA to get stray dogs, sick dogs and problematic dogs from our street. A total of a 158 dogs were put down in the Greater Stellenbosch.

The Mayor's recognition award for rendering voluntary Community Safety Services in Greater Stellenbosch was awarded in the form of certificates to all volunteers involved in the successful execution of the Community Safety Plan.

Five Building Control Law Enforcement officers were appointed March 2006 to police building related transgressions In Greater Stellenbosch.

SECTION: TRAFFIC SERVICES

- Franschhoek Drivers Licenses Centre: We can gladly report that a new Testing Centre for Learner's Licenses was opened in Franchhoek. This centre will assist in improving the backlog experienced in learner license appointments for the Stellenbosch area.
- Extensions to Drivers Licence Section: Extensions to the Stellenbosch Drivers license section were budgeted and completed during this financial year. This extension was necessary for the improved of service delivery to the ratepayers of Stellenbosch
- Introduction of Live Scanning Unit machines: Two of these units were installed at the Drivers License Testing centre. These units are used to perform eye tests, taking of all

photos required for drivers' license and the ordering of new driver's license cards. With the introduction of this, service delivery is more effective and efficient.

- **Driver's Licence Campaign for disadvantaged groups:** A driver's license campaign was launched by the Municipality, to assist school leavers to obtain their drivers license. 180 persons from the previously disadvantaged target groups were recipients of this campaign.
- **Automatic Number Plate Recognition (ANPR) system:** This system was used for the first time in Stellenbosch to identify motorists with outstanding traffic fines and warrants of arrests. Special campaigns were launched to enforce motorists to speed up the payment of outstanding fines

Highlights for the additional Social Development functions: The Executive Director: Social Development Services immediately embarked on a road show to all service deliverers within the WC024. All organisations working within the area were visited and networked with to ensure coordinated and non-duplicated service delivery. Building social capital is extremely important and strong existing networks were supported and strengthened while gaps were identified for the creation of new networks. A summit hosted by the Municipality on the issue of homeless people brought together all role players within WC24 and a much needed solution was generated and immediately embarked on. The need for service providers operating in the same areas to get to know one another was identified and several Service Integration Meetings (SIM's) were hosted by the Municipality with very positive outcomes.

2.4 SUPPORT SERVICES

FINANCIAL SERVICES

Operating budget

Description	Budget 2005/6	Actual 2005/6	% Expenditure
Expenditure	390 036 621	386 867 791	99.19%
Income	390 036 621	377,724,177	96.84%
Income from grants, donation & subsidies		56,749,548	

The above table indicates the amount of spending and revenue collection during the period under review. Although the overall operational performance was acceptable, the payment rate of debtors remains an area of concern.

Capital budget

Description	Budget 2005/6	Actual 2005/6	% Expenditure
Basic	33 864 000	32 257 242	95.3%
Ad Hoc	130 363 000	70 323 559	53.9%

Free basic services

During the period under review, almost 8 399 households benefited from the provision of free basic services. These services consisted of the following monthly allocations:

- 6 kilolitres of free water;
- 50 units of free electricity;
- free sewerage;
- free refuse removal; and
- full property rates rebate to a maximum valuation of R60 000.

The monetary value of the subsidy amounted to R14 million during this year.

CORPORATE SERVICES

During the 2005/2006 financial year, Corporate Services strived to maintain a high quality of service delivery to the Councillors, Departments and the public. All the sections, such as Human resources, Legal Services, Administration and Land Management, made use of every opportunity to support the policies of Council and to fulfil our tasks in terms of delegated powers. The following projects are some that were attended to:

- Sale of agricultural land to Blaauwklippen Estate
- Purchase of Watergang Farm
- Sale of land to the Department of Education for a new school in Kayamandi
- Sale of three properties in Techno Park
- Dealing with 7 proposal calls regarding projects on Council land
- Ceding of Council land for a BBE project
- Several minor lease agreements have been entered into
- Several legal matters were attended to
- Projects to streamline and maintain the procedures regarding the preparation of agendas and minutes for different meetings were implemented
- The electronic record management system (Collaborator) had been maintained and several departmental projects were lodged
- In the Human Resource field, several new policies were developed to enhance the work environment for all personnel
- Estimated services were also delivered at the Franschhoek and Pniel offices, as well as Kayamandi.

Without the dedicated loyalty of the personnel of Corporate Services, the quality of service delivery will not meet the expectations of our clients.

2.5 PUBLIC WORKS

As we are a service delivery department and all basic services ambits in this department we try to strife everyday, with the help of the public, to make Stellenbosch a better place for all. We conformed 99% to the SANS 241 for the quality of drinking water in the whole of WC024.

In Kylemore and Jamestown fully waterborne toilets have been installed in 64 households, whereby they previously made use of the bucket system, as this improved the quality of their lives.

CHAPTER 3

Human Resources and Organisational Management

3.1 EXECUTIVE MAYORAL COMMITTEE

Stellenbosch Municipality has an Executive Mayoral Committee system which is combined with a ward participatory system. The Executive Mayoral Committee consists of the Executive Mayor plus 7 members that have been elected in terms of section 60 of the Municipal Structures Act. During the 2005/2006 financial year the Executive Mayoral Committee comprised the following members, together with the portfolios they represent:

Clr K Shubani	(Executive Deputy Mayor) Public Safety
Clr AH Götze	Economic Facilitation Services
Clr CP Jooste	Corporate Services
Clr PJ Venter	Financial Services
Clr JW van der Poel	Public Works
Clr PM Swartz	Community Services
Clr V Fernandez	Strategic Services

The main task of the Executive Mayoral Committee is to assist the Executive Mayor to take decisions in relation to all powers delegated to it by Council. The Executive Mayoral Committee meets at least once per month and takes all decisions on behalf of the Council except matters that may by law not be delegated by Council.

3.2 INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

INTRODUCTION

Municipal transformation through the pre-interim and interim phases was dealt with successfully with very little or no negative impact on service delivery. The final transformation was implemented as a continuation of the transformation process.

The successes can be ascribed to the following:

- A stable and responsible political component that accepted the responsibilities to take the correct decisions and approved the responsible policies, although decisions were not always popular.
- A competent core of officials with the required skills and experience to implement the transformation actions.

Stellenbosch Municipality possesses a large core of qualified and experienced staff, capable of proper service delivery to the community. The staff component faced the challenges of transformation and as a component complies with the requirements of representivity as set out in the Employment Equity Act.

Various capacity building and training courses are offered throughout to staff members to improve knowledge and skills. The Macro and Micro organisational structures of the staff establishment have been approved and implemented by all stakeholders.

Even through the transformation phases, the municipality exercised strict financial discipline and control. This ensured that the municipality is financially stable and viable.

Stellenbosch is the only municipality in this district which is not on the Municipal Support Programme.

MACRO STRUCTURE

EMPLOYMENT EQUITY RATIO

Post Level	Africans		Coloureds		Whites		TOTAL
	Male	Female	Male	Female	Male	Female	
MM/DMM/Directors	2		4		1	1	8
1			3				3
2		2	4		6		12
3		1	3	2	5	1	12
4	4	1	9	4	5	2	25
5	3	1	5	2	10	3	24
6	2	5	8	7	7	7	36
7	2	1	9	2	11	1	26
8	1	4	17	12	6	5	45
9	4	4	31	8	25	10	82
10	6	9	28	20	3	8	74
11	10	11	43	25	2	8	99
12	14	5	21	10			50
13	3	8	19	9			39
14	3	3	14	4	1		25
15	32		46	3			81
16	81	8	96	9			194
17	49	10	110	23	1	2	195
TOTAL	216	73	470	140	83	48	1030

CHAPTER 4

Audited Statements and Related Financial Information

4.1 REPORT OF THE AUDITOR-GENERAL TO THE COUNCIL ON THE FINANCIAL STATEMENTS OF THE STELLENBOSCH MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2006

1. AUDIT ASSIGNMENT

The financial statements as set out on pages 5 to 57, for the year ended 30 June 2006, have been audited in terms of section 188 of the Constitution of the Republic of South Africa, 1996, read with sections 4 and 20 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 126(3) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA). These financial statements are the responsibility of the accounting officer. My responsibility is to express an opinion on these financial statements, based on the audit.

2. SCOPE

The audit was conducted in accordance with the International Standards on Auditing read with *General Notice 1512 of 2006*, issued in *Government Gazette* no. 29326 of 27 October 2006. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements
- assessing the accounting principles used and significant estimates made by management
- Evaluating the overall financial statement presentation.

I believe that the audit provides a reasonable basis for my opinion.

3. BASIS OF ACCOUNTING

The municipality is required to prepare financial statements on the basis of accounting determined by the National Treasury, as described in note 1 to the financial statements.

4. QUALIFICATION

The municipality did not comply with the prescribed basis of accounting in all respects and details of the departures were not provided. In compiling the financial statements the template provided by National Treasury, which was not comprehensive, was utilised. The following significant instances of non-compliance were noted:

4.1 Impairment of assets

In terms of IAS36 the municipality must at each reporting date assess whether there is any indication that an asset may be impaired. If so, the asset must be tested for impairment. There was no proof that assessment for indicators of impairment was done at 30 June 2006.

In addition, no accounting policy was included in the annual financial statements for the impairment of assets.

4.2 Assessment of useful lives

In terms of GAMAP 17, the useful life of an item of property, plant and equipment shall be reviewed periodically and, if expectations are significantly different from previous estimates, the depreciation charge for the current and future periods shall be adjusted.

The useful lives of items of property, plant and equipment were not reviewed.

4.3 Revenue recognition

According to GAMAP 9 revenue is recognised **only** if it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. All revenue from trade services was recognised at Stellenbosch Municipality regardless of the probability of collection.

4.4 Provisions for impairment

According to IAS 39 the impairment provision must be assessed separately for each individual financial asset and for groups of financial assets with similar credit risks.

In the year under review the provision for bad debts had been calculated at 60% of all debtors over 60 days. This provision is considered inadequate in the case of certain classes of debtors where greater than 80% of debts are not collected. No evidence was available that any analysis of the debtor's data base was done in order for these exceptions to be considered in the calculation.

The municipality had an investment with New Republic Bank to the amount of R1 700 872. New Republic Bank had been placed under curatorship and the legal processes of winding down this institution had not yet run their full course. The municipality was expecting a final payout once the process had been completed, but could not reliably estimate this amount. Consequently the investment value should have been impaired.

5. QUALIFIED AUDIT OPINION

In my opinion, except for the effect on the financial statements of the matters referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality at 30 June 2006 and the results of its operations and cash flows for the year then ended, in accordance with the basis of accounting determined by the National Treasury of South Africa, as described in the addendum to this report, and in the manner required by the MFMA.

6. EMPHASIS OF MATTER

Without further qualifying the audit opinion, attention is drawn to the following matters:

6.1 Internal controls

In terms of section 62 of the MFMA it is the responsibility of the municipal manager to ensure that an effective system of internal control is implemented and maintained. In the light of matters raised in the management letter, internal checking and control mechanisms required improvement.

In particular, a number of deficiencies were noted in particular in the creditors cycle. These deficiencies, which, although they did not lead to material errors, are indicative of the lack of management of the creditors function at the municipality, included no system being applied to identify invoices not accrued for at year-end, duplicate payments

occurring, invoices dated before order date, payments made on quotes and faxes, and possible split orders. The same type of findings occurred across all values of expenditure including tenders. .

The assessment of the controls implemented by municipal management to implement and manage the Stellenbosch Municipality's performance management system as required by section 45(b) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) has been reported on in a separate report on performance measurement.

6.2 Internal audit and audit committee

The internal audit function of the municipality was predominantly outsourced. A review of the operation of the function showed incompleteness of the reporting to the audit committee in terms of standards.

A signed service level agreement or contract between each of the internal audit service providers and the municipality for the 2005-06 financial year was not provided to audit.

In terms of section 166(4)(a) of the MFMA the audit committee must meet at least four times in the year. In the year under review this did happen, however, the meetings were not spread across the year.

6.3 Policies

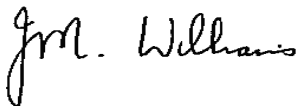
At the time of carrying out the audit the municipality had not compiled the fraud prevention policy, cash management policy, asset management policy, business continuity policy , risk management policy and financial policies and operating procedures. These policies and procedures are required for effective, efficient and economic management of the resources of the municipality and prevention of losses as referred to in section 62(1) of the MFMA.

6.4 Investigations and allegations of fraud at the municipality

An investigation into fraud at the municipality was carried out during the year under review. Further allegations of fraud have been received and investigations thereof are in the process of being set up.

7. APPRECIATION

The assistance rendered by the staff of the Stellenbosch Municipality during the audit is sincerely appreciated.



Signature
J M Williams
for Auditor-General

Cape Town
30 November 2006



A U D I T O R - G E N E R A L

4.2 MANAGEMENT'S COMMENTS ON MATTERS EMANATING FROM THE AUDIT REPORT

(a) Qualification of Audit Report

The Municipality endeavoured to fully comply with the General Accepted Municipal Accounting Practices (GAMAP) for the year under review. The issues raised by the Auditor General relates to the accounting standards that only became applicable during the financial year, and could be regarded as "technical" of nature. The necessary steps will be introduced to prevent a recurrence and to fully comply with the GAMAP standards in ensuing years.

(b) Emphasis of the matter

i) Internal Controls (par. 6.1)

The Supply Chain Management Unit as prescribed by the MFMA was introduced during the year under review. Prior to this, all supply chain transactions were administered on a decentralized basis.

The occurrence of discrepancies has been significantly reduced since the introduction of the Supply Chain Unit, and the control environment was further strengthened through the centralization of this function.

Corrective steps were done through disciplinary action against various staff members of the Account Payable Section and measures were introduced to ensure sufficient internal control.

ii) Internal Audit and Audit Committee (par. 6.2)

The matter was referred to the Chairperson of the Audit Committee for their consideration.

iii) Policies (par. 6.3)

Development of policies is an ongoing process and the referred policies are in different phases of development. The necessary steps will be undertaken to address this matter in the current financial year.

The policies prescribed by section 62(1) of the MFMA, are in place though.

iv) Investigations and allegations of fraud at the municipality (par.6.4)

The Audit finding is correct. The eradication of fraud is an ongoing process.

4.3 AUDITOR GENERAL'S REPORT ON PERFORMANCE MANAGEMENT

REPORT OF THE AUDITOR-GENERAL TO THE COUNCIL ON FACTUAL FINDINGS ON PERFORMANCE MEASUREMENT AT STELLENBOSCH MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2006

1. ASSIGNMENT

The compilation, presentation and publishing of performance measurements, as available for inspection at the department of Strategic Services, the implementation, management and internal control of supporting systems, are the responsibility of the accounting officer.

As required by section 45(b) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) my responsibility is to provide an assessment of the controls implemented by the accounting officer to develop and manage the municipality's performance management system, my role is not to assess or comment on the municipality's actual performance .

2. NATURE AND SCOPE

I have performed the procedures agreed upon and described below regarding the performance measurement system of Stellenbosch Municipality. The assignment was undertaken in accordance with the International Standard on Related Services (ISRS 4400) applicable to agreed upon procedures engagements.

The procedures were performed solely to evaluate the controls implemented and managed by the accounting officer regarding the municipality's performance measurement system against the criteria set out in:

- chapter 6 of the Municipal Systems Act, 2000;
- the Local Government: Municipal Planning and Performance Management Regulations, 2001 (No. R. 796).

The procedures performed during our assignment were based on the high-level overview checklist completed by the accounting officer and included a review of the following aspects:

1. Development of an integrated development plan
2. Development of a performance management system
3. Development and implementation of key performance indicators
4. Setting of targets for key performance indicators
5. Actual service delivery process
6. Internal monitoring of performance measurements
7. Internal control of the performance management system
8. Performance measurement and reporting
9. Revision of strategies and objectives

3. FACTUAL FINDINGS

I report my findings below:

3.1 Phase 1: Development of an integrated development plan (IDP)

The council has followed a proper process in the development of the municipality's IDP.

3.2 Phase 2: Development and implementation of a performance management system

The municipality implemented the performance management system as required by Sections 38 and 39 of the Municipal Systems Act, (Act No.32 of 2000).

3.3 Phase 3: Development and improvement of key performance indicators

The framework for the PMS that was implemented by the municipality includes KPIs as is prescribed by section 41(1)(a) of the Municipal Systems Act.

3.4 Phase 4: Setting targets for the developed key performance indicators

The municipality established of performance targets for KPIs as is prescribed in section 41(1)(b) of the Municipal Systems Act.

3.5 Phase 5: Actual service delivery process

The municipality developed a formally documented process to assist with the tracking of the performance of the executive directors during the prior year. For the year under review, however, the senior management did not sign performance agreements within the legally prescribed dates due to internal processes not being conducive to the signing thereof.

3.6 Phase 6: Internal monitoring

The municipality implemented a process to continuously monitor and compare actual and targeted results [Regulation 13]. However, the municipality has not developed a formally documented process that evaluates actual results of service providers to budgeted results.

3.7 Phase 7: Internal control

i) The municipality has, as part of its internal control, appointed an internal auditor and a performance audit committee that reviews performance measurements as is required by section 45(a) of the Municipal Systems Act.

3.8 Phase 8: Performance measurement and reporting

The municipality has a performance measurement and reporting framework in place as is required by regulation 13(1). The performance of senior management was evaluated but the payment of bonuses is being disputed due to the nature of the KPIs.

3.9 Phase 9: Revision of strategies and objectives

The council revised the integrated development plan in a structured process. The municipality's strategies and objectives were revised in accordance with the review of the performance of the municipality as is required by section 34 of the Municipal Systems Act.

4. STATEMENT

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International standards on Review Engagements, I do not express any assurance on the performance measurements as at 30 June 2006.

Had I performed additional procedures or had I performed an audit or review of the performance measurement in accordance with International Standards on Auditing

or International standards on review engagements other matters might have come to my attention that would have been reported to you.

This report relates only to the purpose set forth in the first paragraph of this report and does not extend to the financial statements of Stellenbosch Municipality, taken as a whole.

5. APPRECIATION

The assistance rendered by the staff of Stellenbosch Municipality during the assignment is sincerely appreciated.

Jm. Willemse

for **AUDITOR-GENERAL**

Cape Town

14 December 2006



A U D I T O R - G E N E R A L

4.4 CHIEF FINANCIAL OFFICER'S REPORT

1. PREAMBLE

It is my pleasure to give a brief summary of the financial results of our Council for the financial year ending 30 June 2006.

The operating activities culminated in a surplus of R47 605 934 for this financial period. After the necessary transfers to and from the accumulated surplus have been made according to GAMAP/GRAP, the balance of the accumulated surplus at 30 June 2006 was R67 097 516.

2. OPERATING RESULTS

As the financial statements provide an in-depth analysis of the operating results, and compliance with our accounting policies, the following matters are highlighted.

The actual revenue of R434 473 725 compare favourably with the approved income budget of R390 036 621. It is however important to take cognisance of the disclosure of operating, as well as capital grants and receipts included in the operating account in accordance with GAMAP/GRAP. Before-mentioned receipts disclosed in the Statement of Financial Performance amounts to R56 749 548 for 2005/2006.

The total actual expenditure of R386 867 791 also compares favourably with the approved budget of R390 036 621 for this financial period. It should be noted that appropriations to various funds and reserves permitted in accordance with GAMAP/GRAP, are accounted for in the Statement of Changes in Net Assets, and no longer in the Statement of Financial Performance as "Contributions to Funds".

The various expenditure categories relates as follows to the gross expenditure. (Previous years are also indicated in order to reveal new trends or deviations):

Expenditure Category	Actual 2003/2004	Actual 2004/2005	Actual 2005/2006
Salaries & Allowances	38.14	33.67	32.94
General expenses	53.00	59.11	58.93
Repairs & Maintenance	5.36	5.20	5.37
Capital Costs	0.45	0.35	0.39
Contribution to Capital	0.16	0.15	0.11
Contribution to Provisions	2.89	1.52	2.26
	100.00	100.00	100.00

According to the above it can be stated that the actual expenditure for the 2005/2006 financial year was in line with that of past years.

The net appropriations as listed in the Statement of Changes in Net Assets amounted to R40 449 219, and the balance of the Accumulated Surplus increased from R26 648 297 to R67 097 516 at 30 June 2006. The Statement of Changes in Net Assets deals with allocations to various accounts, for example the

Capital Replacement Reserve, offsetting of depreciation, capital receipts for Property, Plant and Equipment purchased, et cetera.

Future Depreciation Reserves are also created for all assets purchased out of grants and Council's Capital Replacement Reserve. Offsetting of these reserves occurs annually via the Statement of Changes in Net Assets, referred to as offsetting of depreciation, to prevent double taxation of consumers.

3. CAPITAL EXPENDITURE

In summary the capital expenditure was as follows:

	Budget	Actual	% Expenditure achieved
Basic capital (Own funding)	33 864 000	32 257 242	95.3%
Ad hoc capital (External funding)	130 363 000	70 323 559	53.9%

All basic capital projects that have been budgeted for were executed, and the actual amount is lower than the budgeted amount due to savings on certain projects. The low percentage spending on ad hoc capital is the result of external financing that has been budgeted for, but which did not realise.

4. INDICATORS AND RATIOS

The following ratios are used as a guide to analyse year on year performance over the previous MTEF:

$$(i) \quad \text{Current Ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

30/06/2004	30/06/2005	30/06/2006
$\frac{174\,386\,338}{74\,779\,977}$	$\frac{171\,684\,209}{65\,523\,251}$	$\frac{183\,216\,208}{75\,595\,887}$
2.33 : 1	2.62 : 1	2.42 : 1

The generally accepted norm in this regard is a ratio of 2:1. The ratio for 2005/2006 compares favourably with the norm.

$$(ii) \quad \text{Average debtors period} = \frac{\text{Average debtors}}{\text{Turnover (sales)}} \times \frac{365}{1}$$

30/06/2004	30/06/2005	30/06/2006
$\frac{50\,998\,900}{311\,174\,134} \times \frac{365}{1}$	$\frac{63\,876\,293}{336\,573\,750} \times \frac{365}{1}$	$\frac{70\,304\,696}{377\,724\,177} \times \frac{365}{1}$
60 days	69 days	68 days

The general norm in the private sector in this regard is 60 days. After an increase in the previous year, this ratio remained the same in the current year, which indicates the turning point due to the improved debt collection efforts, and the writing off of bad debts.

Ratios 3, 4 and 5 are the prescribed ratios in terms of the Performance Management Regulations.

$$(iii) \text{ Debt coverage} = \frac{\text{Total operating revenue received} - \text{operating grants}}{\text{Debt service payments (I \& R) due within fin year}}$$

30/06/2004	30/06/2005	30/06/2006
232 : 1	292 : 1	248 : 1

As the generally accepted norm for this ratio is unknown, the only barometer we have is to compare it from year to year. The decrease in this ratio is the result of the increase in interest that is payable due to a new external loan raised.

$$(iv) \text{ Outstanding service debtors to revenue} = \frac{\text{Outstanding service debtors}}{\text{Actual revenue received for services}}$$

30/06/2004	30/06/2005	30/06/2006
0,14 : 1	0,16 : 1	0,15 : 1

As the generally accepted norm for this ratio is unknown, the only barometer we have is to compare it from year to year. The ratio remains constant for the past two years.

$$(v) \text{ Cost coverage} = \frac{\text{All available cash} + \text{investments}}{\text{Monthly fixed operating expenditure}}$$

30/06/2004	30/06/2005	30/06/2006
3.97 : 1	3.85 : 1	3.63 : 1

As the generally accepted norm for this ratio is unknown, the only barometer we have is to compare it from year to year.

$$(vi) \text{ Long-term debt/income} = \frac{\text{Long term liabilities}}{\text{Total income}}$$

30/06/2004	30/06/2005	30/06/2006
2.4%	2.0%	7.2%

The generally accepted norm in this regard is 35%. This ratio of Stellenbosch is very good, but increased this year due to the raising of a new external loan. The reason for the

exceptional low percentage overall, is due to Council's policy to finance capital expenditure from own funds and to limit external loans to the minimum.

$$(vii) \text{ Debtors/Income} = \frac{\text{Gross debtors}}{\text{Total income}}$$

30/06/2004	30/06/2005	30/06/2006
30.34%	28.60%	25.17%

The generally accepted norm in this regard is 16.7%. Although not within the generally accepted norm, this ratio shows a downward trend for the past two years.

$$(viii) \text{ Net Debtors/income} = \frac{\text{Gross debtors} - \text{working capital reserve}}{\text{Total income}}$$

30/06/2004	30/06/2005	30/06/2006
23.47%	20.00%	18.29%

The generally accepted norm in this regard is 12.5%. There is a substantial improvement in results in comparison with previous years, and we are moving closer to the norm.

$$(ix) \text{ Personnel to total expenditure} = \frac{\text{Total salaries and wages}}{\text{Total expenditure}}$$

30/06/2004	30/06/2005	30/06/2006
38.14%	33.67%	32.94%

The generally accepted norm in this regard is between 30% and 35%.

$$(x) \text{ Debt servicing cost to total expenditure} = \frac{\text{Interest and redemption}}{\text{Total expenditure}}$$

30/06/200	30/06/2004	30/06/2005
0.44%	0.35%	0.39%

The generally accepted norm in this regard is 15.0%. The ability to fund our capital programme from own sources, and not external finance, are the main reason that Stellenbosch Municipality is well within the limits of this ratio.

5. REPORTING IN TERMS OF SECTION 32 OF MFMA

A legal opinion was received after year-end on the payment of severance packages to former directors of the municipality in the 2004/2005 financial year. The expenditure was

classified as irregular and subsequently reported to the relevant authorities and ratified/condoned by the Executive Mayoral Committee.

6. CLASSIFICATION OF SERVICES

The various services rendered by Council are arranged per function (directorate) or purpose of expenditure in the various statements and appendixes of the financial statements, in order to comply with the GAMAP/GRAP format of financial year-end reporting

7. STANDARDISATION OF FINANCIAL REPORTING

These financial statements are presented in line with the new Accounting Standards and format of the Annual Financial Statements as standardized by the National Treasury

8. GENERALLY ACCEPTED MUNICIPAL PRACTICE (GAMAP) / GENERALLY RECOGNISED ACCOUNTING PRACTICE (GRAP)

The Accounting Policy provides detail with regard to the accounting for transactions in accordance with GAMAP/GRAP requirements with regard to:
Property Plant and Equipment,
Statutory Funds and Reserves, Trust Funds and Provisions,
Investments,
Unspent Conditional Grants, et cetera.

IBR KENNED
CHIEF FINANCIAL OFFICER

9. ADDITIONAL INFORMATION ADDITIONAL TO CHIEF FINANCIAL OFFICER'S REPORT

For detailed information regarding the state of the Accumulated Surplus, Funds & Reserves, Investments, External Loans, property Plant & Equipment, Grants & Subsidies, Revenue & Expenditure as well as Statistical Information, please refer to the following **Appendixes to the Financial Statements**, which are presented under the next section (section 10):

- A Schedule of External Loans
- B Analysis of Property, Plant and Equipment
- C Segmental Analysis of Property, Plant and Equipment
- D Segmental Statement of Financial Performance
- E(1) Actual vs. Budgeted (Revenue & Expenditure)
- E(2) Actual vs. Budgeted (Acquisition of Property, Plant & Equipment)
- F Disclosures of Grants and Subsidies in terms of Sect 123 of MFMA
- G Statistical Information

10. Financial Statements

Statement of financial position at 30 June 2006

STELLENBOSCH MUNICIPALITY STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2006

	Note	2005/2006 R	2004/2005 R
NET ASSETS AND LIABILITIES			
Net Assets		992 946 911	947 947 915
Housing development fund	1	10 110 684	13 888 444
Capital replacement reserve		97 766 022	95 500 197
Capitalisation reserve		174 789 999	192 406 407
Government grant reserve		69 707 377	40 677 068
Donations and public contr reserve		568 493 178	575 016 190
Self-insurance reserve		4 982 134	3 811 313
Accumulated Surplus		67 097 516	26 648 297
Non-current liabilities		49 230 906	21 427 077
Trust funds		66 902	64 530
Long-term liabilities	2	31 407 689	7 599 623
Non-current provisions	3	17 756 315	13 762 923
Current liabilities		75 595 887	65 523 251
Consumer deposits	4	6 470 057	6 156 345
Provisions	5	5 159 316	4 268 778
Creditors	6	43 172 297	42 121 551
Unspent conditional grants and receipts	7	15 620 760	8 758 878
VAT	8	2 914 586	2 574 489
Short-term loans	9	0	0
Current portion of long-term liabilities	2	2 258 872	1 643 210
Total Net Assets and Liabilities		1 117 773 704	1 034 898 243
ASSETS			
Non-current assets		934 557 496	863 161 484
Property, plant and equipment	10	893 679 931	822 888 960
Investment property	11	0	0
Biological assets	12	16 500 000	16 500 000
Investments	13	17 778 801	16 087 221
Long-term receivables	14	6 598 764	7 685 303

Current assets		183 216 208	171 736 759
Inventory	15	3 534 481	4 417 090
Consumer debtors	16	40 147 452	37 815 062
Other debtors	17	39 338 501	38 481 838
Current portion of non-current loans	14	821 074	1 362 001
Call investment deposits	18	96 298 459	87 367 236
Bank balances and cash	19	3 039 057	2 274 969
Cash on hand		37 185	18 565
Total Assets		<u>1 117 773 704</u>	<u>1 034 898 243</u>

Statement of Financial Performance for the year ended June 2006

**STELLENBOSCH MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2006**

Adjusted 2004/2005 R	Budget	Adjusted 2005/2006 R		Note	Actual	
	Original 2005/2006 R				2005/2006 R	2004/2005 R
			REVENUE			
68 789 840	79 085 724	79 085 724	Property rates	20	86 577 425	70 590 202
1 024 000	1 033 000	1 033 000	Property rates - penalties imposed and collection charges		794 222	1 083 703
190 194 049	207 296 353	206 346 353	Service charges	21	210 825 625	188 876 693
6 576 907	7 085 308	7 085 308	Rental of facilities and equipment		6 840 273	6 529 838
8 638 977	8 840 736	8 840 736	Interest earned - external investments		9 459 704	9 289 191
2 076 500	3 033 926	3 033 926	Interest earned - outstanding debtors		2 931 385	2 155 255
11 025 660	14 514 393	14 514 393	Fines		15 431 818	13 213 342
16 248 925	18 448 754	18 448 754	Licences and permits		18 344 254	17 807 144
13 409 786	22 703 052	22 880 552	Government grants and subsidies	22	52 799 877	37 668 929
29 844 518	27 995 375	28 767 875	Other income	23	26 519 471	27 028 382
-	-	-	Public contributions, donated and contributed property, plant and equipment		3 949 671	7 147 549

-	-	-	Gains on disposal of property, plant and equipment		0	0
347 829 162	390 036 621	390 036 621	Total Revenue		434 473 725	381 390 228
			EXPENDITURE			
112 497 681	131 181 215	124 500 330	Employee related costs	24	122 832 412	106 083 123
5 013 174	5 170 276	5 170 276	Remuneration of Councillors	25	4 610 629	5 012 997
6 424 102	7 562 556	12 953 535	Bad debts		14 299 563	8 920 804
677 816	509 130	1 706 563	Collection costs		1 342 243	663 136
32 460 492	34 835 765	31 985 199	Depreciation		31 789 837	27 304 194
14 754 194	15 651 558	16 754 818	Repairs and maintenance		20 793 741	17 157 229
1 954 386	2 035 505	2 035 505	Interest paid	26	1 522 323	1 151 834
65 899 360	68 043 682	66 958 682	Bulk purchases	27	66 053 406	63 675 072
2 095 571	5 015 037	5 015 037	Grants and subsidies paid	28	4 616 674	2 092 571
103 058 093	109 454 008	110 234 899	General expenses	29	110 264 349	92 929 006
2 994 293	10 577 889	12 721 777	Contributions to/(transfers from) provisions		8 742 613	5 012 972
-	-	-	Loss on disposal of property, plant and equipment		0	0
347 829 162	390 036 621	390 036 621	Total Expenditure		386 867 791	330 002 938
-	-	-	SURPLUS/(DEFICIT) FOR THE YEAR	*	47 605 934	51 387 290

Refer to Appendix E(1) for explanation of variances

* See Statement of Changes in Net Assets for Appropriation of Surplus

Statement of changes in net assets for the year ended 30 June 2006

	Capital Replacement Reserve (CRR) R	Housing Development Fund R	Capitalisation Reserve R	Government Grant Reserve ex Nat Govt R	Government Grant Reserve ex Prov Govt R	Donations & Public Contr Reserve ex Public Contr R	Donations & Public Contr Reserve ex Other Sources R	Self-Insurance Reserve R	Loan Redemption Reserve R	Accumulated Surplus / (Deficit) R	Total R
2004/2005											
Balance at 1 July 2004	89 564 378	16 233 065	167 671 131	3 680 883	14 296 715	113 173 800	464 853 971	3 299 287	296 086	7 508 761	880 578 078
Implementation of GAMAP/GRAP									-296 086	16 848 636	16 552 550
Restated balance	89 564 378	16 233 065	167 671 131	3 680 883	14 296 715	113 173 800	464 853 971	3 299 287	0	24 357 397	897 130 628
Surplus for the year										51 387 290	51 387 290
Proceeds from sale of PPE	1 298 730										1 298 730
Expenditure related to sale of PPE	-36 139										-36 139
Transfer to CRR	44 211 843									-44 211 843	0
Property, plant and equipment purchased	-39 538 616		39 538 616								0
Capital grants used to purchase PPE				7 214 142	16 661 603		7 147 549			-31 023 294	0
Donated/contributed PPE			160 975 500								160 975 500
Contribution to Insurance Reserve								836 423			836 423
Insurance claims processed								-324 398			-324 398
Transfer to/from Housing Development Fund		-2 344 621									-2 344 621
Depreciation on donated/contributed PPE			-160 975 500								-160 975 500
Offsetting of depreciation			-14 803 340	-299 995	-876 281	-9 753 054	-406 077			26 138 747	0
Balance at 30 June 2005	95 500 197	13 888 443	192 406 407	10 595 031	30 082 037	103 420 746	471 595 444	3 811 313	0	26 648 297	947 947 915

2005/2006											
Correction of error											0
Restated balance	95 500 197	13 888 443	192 406 407	10 595 031	30 082 037	103 420 746	471 595 444	3 811 313	0	26 648 297	947 947 915
Surplus for the year										47 605 934	47 605 934
Proceeds from sale of PPE											0
Expenditure related to sale of PPE											0
Transfer to CRR	43 239 164									-43 239 164	0
Property, plant and equipment purchased	-40 973 339									40 973 339	0
Capital grants used to purchase PPE				6 674 000	24 911 244		3 949 671			-35 534 915	0
Contribution to Insurance Reserve								1 344 471			1 344 471
Insurance claims processed								-173 649			-173 649
Transfer to/from Housing Development Fund		-3 777 759									-3 777 759
Offsetting of depreciation			-17 616 408	-826 302	-1 728 632	-9 556 187	-916 496			30 644 026	0
Balance at 30 June 2006	97 766 022	10 110 684	174 789 999	16 442 728	53 264 648	93 864 560	474 628 619	4 982 134	0	67 097 516	992 946 911

Cash flow statement for the year ended 30 June 2006

STELLENBOSCH MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Note	2005/2006 R	2004/2005 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		431 284 671	386 647 704
Cash paid to suppliers and employees		<u>-351 603 010</u>	<u>-322 163 839</u>
Cash generated from operations	32	79 681 662	64 483 865
Interest received		9 459 704	9 289 191
Interest paid		<u>-1 522 323</u>	<u>-1 151 834</u>
NET CASH FROM OPERATING ACTIVITIES		<u>87 619 042</u>	<u>72 621 221</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-102 580 808	-71 403 762
Proceeds on disposal of property, plant and equipment		0	0
Decrease/(Increases) in investment properties		0	0
Decrease/(Increases) in non-current receivables		1 627 465	2 703 648
Decrease/(Increases) in non-current investments		<u>-1 691 580</u>	<u>-1 852 425</u>
NET CASH FROM INVESTING ACTIVITIES		<u>-102 644 923</u>	<u>-70 552 539</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised / (repaid)		24 423 728	-769 744
Increase/(Decrease) in consumer deposits		313 712	691 680
Increase/(Decrease) in Trust Funds		<u>2 371</u>	<u>2 550</u>
NET CASH FROM FINANCING ACTIVITIES		<u>24 739 812</u>	<u>-75 514</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>9 713 931</u>	<u>1 993 168</u>
Cash and cash equivalents at the beginning of the year		89 660 770	87 667 601
Cash and cash equivalents at the end of the year	33	99 374 701	89 660 770

11. ANNEXURE (NOTES)

Notes to the financial statements for the year ended 30 June 2006

STELLENBOSCH MUNICIPALITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006

	2005/2006 R	2004/2005 R
1 HOUSING DEVELOPMENT FUND		
Housing Development Fund	10 110 684	13 888 443
Unappropriated Surplus	42 737	3 067 500
Loans extinguished by Government on 1 April 1998	10 067 948	10 820 944
The Housing Development Fund is represented by the following assets and liabilities		
Instalment Sales Debtors (see note 14)	4 169 841	4 528 654
Consumer Debtors (see note 16)	6 370 220	8 344 980
Cash and cash equivalents (see note 19)	-429 377	1 014 809
Total Housing Development Fund Assets and Liabilities	10 110 684	13 888 444
2 LONG TERM LIABILITIES		
Local Registered Stock Loans	844 378	884 938
Annuity Loans	32 822 183	8 357 895
Sub-Total	33 666 561	9 242 833
Less: Current portion transferred to current liabilities	2 258 872	1 643 210
Local Registered Stock Loans	24 725	34 667

Annuity Loans	2 234 147	1 608 543
Total External Loans	31 407 689	7 599 623

Refer to Appendix A for more detail on long-term liabilities.

3 NON-CURRENT PROVISIONS

Provision for rehabilitation of tip-site	169 115	167 403
Post Retirement Medical Benefits	17 587 200	13 595 520
Total Non-Current Provisions	17 756 315	13 762 923

The movement in the provisions are reconciled as follows:

Balance at beginning of year	13 762 923	13 762 923
Contributions to provisions	3 993 392	0
Expenditure incurred		
Balance at end of year	17 756 315	13 762 923

Post Retirement Medical Benefits is a defined contribution plan.

An actuarial valuation iro the Provision for Post Retirement Medical Benefits was performed during June 2006. The valuation will be revised on an annual basis and phased in over a five year period. The accrued liability as at 30 June 2006 is summarised as follows:

Continuation members	50 042 000
In-service members	39 046 000
	89 088 000

Reconciliation of Assets and Liabilities

Present value of funded obligations	17 587 200
Fair value of plan assets	
Present value of unfunded obligations	71 500 800
Present value of obligations in excess of plan assets	89 088 000
Unrecognised transitional liability	71 500 800
Unrecognised actuarial gains/(losses)	
Unrecognised past service cost	
Net liability in Statement of Financial Position	17 587 200

4 CONSUMER DEPOSITS

Electricity and water	6 303 157	6 010 613
Housing	166 900	145 732
Total Consumer Deposits	6 470 057	6 156 345
 Guarantees held in lieu of Electricity and Water Deposits	 1 899 672	 2 020 519

5 PROVISIONS

Grant-in-aid - Sundry	366 426	233 476
Grant-in-aid - Marketing	2 075 277	940 370
Grant-in-aid - Animal Welfare Society	270 857	216 957
Grant-in-aid - Property Rates	300 162	368 896
Grant-in-aid - Assistance Property Taxation	233 498	185 975
Cleaning Illegal Dumping	500 428	500 000
Alien Vegetation	1 412 668	1 823 103
Total Provisions	5 159 316	4 268 778

The movement in current provisions are reconciled as follows:

Balance at beginning of year	4 268 778	4 350 880
Contributions to provisions	3 716 447	2 373 446
Expenditure incurred	-2 825 909	-2 455 548
Balance at end of year	5 159 316	4 268 778

6 CREDITORS

Trade creditors	20 333 834	24 204 183
Payments received in advance	8 050 223	5 545 450
Sundry deposits	379 259	227 339
Other creditors	2 695 068	148 711
Conditional Funds		
- Desmond Claassen	68 225	68 555
- Sardien/Groenewald	326 359	311 681
- Ex Gratia Pensioenfonds (BDM)	103 387	103 387
Unutilised operating receipts		
- Masakhane (Equitable Share)	1 321 204	2 560 278
- Performance Measurement	24 206	91 149
- Plankenburg River Clean-up	9 657	9 657
- LGWSETA Training	327 955	228 940
- Pilot Site	1 070 900	1 496 870
- Cemetery Donation	2 200	2 200
- Marais Park Bequest	20 000	20 000
- Don & Pat Bilton Clinic	148 577	147 983
- Franschhoek Land Claims	1 691 467	1 602 830
- Franschhoek Belgium Development	7 100	7 100
- Dilbeeck	150 830	44 606

- Growth Management Strategy	330 000	260 000
- Western Cape Water Quality	304 517	304 517
- Leuven Study Grant	30 060	-128
- NLDTF Bergzicht Training Centre	17 760	681 141
- CWDM Elect Assets Valuation	1 000	0
Leave Gratuity - Rates Services	5 043 568	3 588 579
Leave Gratuity -Water services	360 174	213 634
Leave Gratuity -Electricity Services	354 769	252 889
Total Creditors	43 172 297	42 121 551

7 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

Conditional Grants from other spheres of Government

	3 162 395	1 170 520
National Government Grants	2 858 394	595 764
Provincial Government Grants	119 892	563 734
Other Sources	184 109	11 022

Other Conditional Receipts

	12 458 364	7 588 358
Developers Contribution - Sewerage	493 597	284 027
Developers Contribution - Roads	629 807	325 483
Developers Contribution - Electricity	4 596 066	1 351 080
Developers Contribution - Water	1 367 917	792 474
Developers Contribution - Open Areas	135 182	125 582
Developers Contribution - Parking	1 119 189	597 170
Developers Contribution - General	117 753	49 808
Developers Contribution - JA Clark	0	6 586
Developers Contribution - MD McGahey	0	16 903
Developers Contribution - J Clark	0	40 391
Franschhoek: Medium Cost Housing	262 000	262 000

Franschhoek: Low Cost Housing (Phase 2)	389 300	389 300
Frandevco: Development Rights	3 347 553	3 347 553
Total Conditional Grants and Receipts	15 620 760	8 758 878

The balances of the Unspent Conditional Grants and Receipts can be reconciled as follow:

	Balance on 01/07/2005	Income	Other Expenditure	Capital Expenditure	Balance on 30/06/2006
	R	R	R	R	R
National Government Grants	595 764	10 928 043	0	8 665 413	2 858 394
Provincial Government Grants	563 734	22 475 988	0	22 919 831	119 892
Other Sources	11 022	1 126 881	0	953 794	184 109
Dev Contr - Sewerage	284 027	357 544	0	147 974	493 597
Dev Contr - Roads	325 483	304 324	0	0	629 807
Dev Contr - Electricity	1 351 080	5 633 887	0	2 388 900	4 596 066
Dev Contr - Water	792 474	1 034 446	0	459 003	1 367 917
Dev Contr - Open Areas	125 582	9 600	0	0	135 182
Dev Contr - Parking	597 170	522 019	0	0	1 119 189
Dev Contr - General	49 808	67 945	0	0	117 753
Dev Contr - JA Clark	6 586	0	6 586	0	0
Dev Contr - MD McGahey	16 903	0	16 903	0	0
Dev Contr - J Clark	40 391	0	40 391	0	0
Franschhoek: M/Cost Housing	262 000	0	0	0	262 000
Franschhoek: L/Cost Housing	389 300	0	0	0	389 300
Frandevco: Development Rights	3 347 553	0	0	0	3 347 553
	8 758 878	42 460 676	63 880	35 534 915	15 620 760

The receipt and spending of Government Grants are being monitored by National and

Provincial Government and reports in this regard have to be submitted to them quarterly.
See also note 21 for Grants received from National/Provincial Government.
These amounts are invested in a ring-fenced investment until utilized.

8 VAT

VAT payable	2 914 586	2 574 489
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VAT is payable on the receipts basis. Only once payment is received from debtors is VAT paid over to SARS.

9 SHORT-TERM LOANS

Call Bonds	0	0
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10 PROPERTY, PLANT AND EQUIPMENT

	Cost or Revaluation R	Accumulated Depreciation R	Cost Carrying Value R
30 June 2006			
Infrastructure	371 026 819	158 051 141	212 975 678
Community	323 735 243	206 397 314	117 337 929
Other	637 784 275	74 417 950	563 366 324
Total Property, Plant and Equipment	1 332 546 337	438 866 405	893 679 931
30 June 2005			
Infrastructure	326 421 463	143 115 208	183 306 255

Community	308 771 927	200 461 063	108 310 864
Other	594 772 138	63 500 297	531 271 841
Total Property, Plant and Equipment	1 229 965 528	407 076 568	822 888 960

Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.

11 INVESTMENT PROPERTY

Cost	0	0
Total Investment Property	0	0

12 BIOLOGICAL ASSETS

Plantations	16 500 000	16 500 000
Total Biological Assets	16 500 000	16 500 000

13 INVESTMENTS

Listed

RSA Government Stock	0	0
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Unlisted

Investment in Municipal Entities	0	0
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Financial Instruments

Fixed Deposits	17 313 631	15 643 483
Other Deposits	465 170	443 737

Total Cash Investments

17 778 801

16 087 221

Total Investments

17 778 801

16 087 221

Included in the fixed deposits is an amount of R1 700 872 invested at New Republic Bank, which is currently under curatorship. Although the capital portion seems to be recoverable, the interest portion is doubtful at this stage.

14 LONG-TERM RECEIVABLES

Land sales

516 297

586 487

Officials: Car loans

550 567

1 568 737

Officials: Erven loans

89 274

93 577

Farmers: Water scheme

452 707

458 697

Sport clubs

1 641 153

1 811 152

Housing selling scheme loans

4 169 841

4 528 654

7 419 838

9 047 304

Less: Current portion transferred to current receivables

821 074

1 362 001

Land sales

80 362

69 802

Officials: Car loans

206 868

727 904

Officials: Erven loans

4 565

4 300

Farmers: Water scheme

6 216

6 080

Sport clubs

123 878

130 503

Housing selling scheme loans

399 185

423 411

Total Non-Current Loans

6 598 764

7 685 303

CAR LOANS

Senior staff were entitled to car loans which attract interest at 8% per annum and which are repayable over a maximum

period of 6 years. These loans are repayable in the year 2010.

HOUSING SELLING SCHEME LOANS

Housing loans are granted to qualifying individuals in terms of the provincial administration's housing programme. These loans attract interest at 7% per annum and are repayable over 10 years. These loans will be repaid by the year 2010.

15 INVENTORY

Consumable stores	3 481 931	4 364 540
Water stock	52 550	52 550
Total Inventory	3 534 481	4 417 090

Stellenbosch Municipality's storage dams contained 2 375 000 kl water at 30 June 2006.

As this water stock was acquired from rainfall, no cost was incurred in the acquisition thereof.

16 CONSUMER DEBTORS

Service debtors	55 180 626	52 751 192
Rates	18 583 168	17 566 298
Electricity	11 814 341	10 779 175
Water	10 899 628	9 233 215
Sewerage	7 439 981	7 621 454
Refuse	6 443 508	7 551 050
Housing	14 844 284	17 833 290
Less: Provision for bad debts	29 877 458	32 769 421
Rates	7 581 900	9 292 858
Refuse	3 449 904	3 784 704
Sewerage	3 525 795	3 804 610

Water	4 077 935	3 831 901
Electricity	2 767 859	2 567 038
Housing	8 474 064	9 488 310

Total	40 147 452	37 815 062
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Rates: Ageing

Current (0 - 30 days)	5 307 097	4 463 762
31 - 60 Days	639 571	424 458
61 - 90 Days	403 425	354 372
91 - 120 Days	365 626	309 234
+ 120 Days	11 867 450	12 014 471
Total	18 583 168	17 566 298

Trading Services (Electricity and Water): Ageing

Current (0 - 30 days)	10 008 065	7 604 076
31 - 60 Days	1 296 248	773 881
61 - 90 Days	778 940	552 503
91 - 120 Days	845 515	655 923
+ 120 Days	9 785 200	10 426 008
Total	22 713 969	20 012 390

Economic Services (Sewerage and Refuse): Ageing

Current (0 - 30 days)	1 940 761	1 101 313
31 - 60 Days	316 561	272 438
61 - 90 Days	190 319	245 846
91 - 120 Days	170 002	227 663
+ 120 Days	11 265 846	12 994 359
Total	13 883 488	14 841 618

Housing: Ageing

Current (0 - 30 days)	448 886	334 975
31 - 60 Days	271 959	246 842
61 - 90 Days	241 691	249 465
91 - 120 Days	505 559	521 142
+ 120 Days	13 376 190	16 480 865
Total	14 844 284	17 833 290

Reconciliation of Bad Debt Provision:

Balance at beginning of year	32 769 421	23 848 617
Contributions to provisions	14 299 563	8 920 804
Bad debts written off against provision	-17 191 526	0
Balance at end of year	29 877 458	32 769 421

Debtors to the amount of R16 000 000,00 have been ceded to the Development Bank of Southern Africa in providing security for a loan raised from them (See Annexure A).

17 OTHER DEBTORS

Sundry	2 735 259	5 753 226
VAT Receivable	4 093 551	315 318
Other - Closing of financial year	4 198 983	8 943 381
Recoverable work	1 709 139	2 951 135
Capital Debtors	25 066 847	18 469 997
Other Debtors	1 534 722	2 048 781
Total Other Debtors	39 338 501	38 481 838

Capital debtors represent funding that Council is awaiting from external institutions for capital expenditure incurred and claimed, but not yet received at year-end.

18 CALL INVESTMENT DEPOSITS

Other Deposits	<u>96 298 459</u>	<u>87 367 236</u>
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19 BANK, CASH AND OVERDRAFT BALANCES

The Municipality has the following bank account:

Current Account

ABSA Bank - Stellenbosch Branch

Account Number 410 188 031

Cash book balance at beginning of year	<u>2 274 969</u>	<u>1 205 177</u>
Cash book balance at end of year	<u>3 039 057</u>	<u>2 274 969</u>
Bank statement balance at beginning of year	<u>11 822 234</u>	<u>6 994 742</u>
Bank statement balance at end of year	<u>10 741 589</u>	<u>11 822 234</u>

20 PROPERTY RATES

Actual

Residential	43 736 523	36 053 642
Commercial	40 883 205	31 243 944

Agricultural	6 734 948	5 343 903
	91 354 676	72 641 489
Less: Exempted properties	4 777 251	2 051 287
Total Assessment Rates	86 577 425	70 590 202

Valuations

Residential	6 864 985 048	3 775 717 954
Commercial	4 612 375 470	2 455 771 489
Agricultural	3 801 892 500	3 585 494 260
Total Property Valuations	15 279 253 018	9 816 983 703

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2005. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions. A general rate of 0,8618 c/R (2004/2005: 0,9330 c/R) is applied to property valuations to determine assessment rates. Rebates of 15% are granted to pensioners earning less than R3 000 per month and 10% to pensioners with a monthly income between R3 001 and R3 500. Rates are levied on an annual basis and can be paid in instalments or annually. The final date of payment for annual rates was 7 October 2005. Interest at prime + 1% is levied on outstanding rates.

21 SERVICE CHARGES

Sale of electricity	127 745 420	120 737 785
Sale of water	45 582 458	34 109 170
Refuse removal	16 221 271	14 529 980
Sewerage and sanitation charges	21 276 476	19 499 758
Total Service Charges	210 825 625	188 876 693

22 GOVERNMENT GRANTS AND SUBSIDIES

Equitable share	12 780 642	7 704 408
Growth management strategy	0	92 300
Provincial health subsidies	6 466 745	3 491 840
Performance management	66 943	24 451
Financial Management Grant	1 425 970	713 566
Special clean-up operations	0	200 000
Western Cape water quality	0	1 017 438
LGWSETA Training	280 312	456 840
Infrastructure Roads and Stormwater	62 406	0
Electricity Asset Valuation	49 000	0
Magazine subsidy	2 615	12 340
Proclaimed roads maintenance	80 000	80 000
National Government - Capital Projects	6 674 000	7 214 142
Provincial Government - Capital Projects	24 911 244	16 661 603
Total Government Grant and Subsidies	52 799 877	37 668 929

Equitable share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive monthly subsidy of R134,80, which is funded from this grant.

Provincial health subsidies

The Municipality renders health services on behalf of the Provincial Government and is refunded approximately 80% of total expenditure incurred. This grant has been used exclusively to fund clinic services. The conditions of the grant have been met. There was no delay or withholding of the subsidy.

Financial Management Grant

The Municipality, being a pilot site for the implementation of National Treasury's Local Government Financial Reform Project, received Financial Management Grants. The largest portion of these funds is used for the implementation of GAMAP/GRAP.

Western Cape Water Quality

The Municipality act as a agent for Provincial Government for their project to increase the water quality of the Western Cape. Funds for these expenses are received from Provincial Government.

LGWSETA Training

According to the Skills Development Act and the Skills Development Levies Act, an organisation can claim back some of the levies paid to be used on training of its employees.

National and Provincial Government - Capital Projects

Both National and Provincial Government fund a large portion of the Municipality's annual capital expenditure. The main funds receive for these purposes are from the National Housing Board, MIG and DME.

See Appendix F for a reconciliation of grants received and expended.

23 OTHER INCOME

Included in other income are the following:

Wood sales	4 329 431	2 608 363
Building plan fees	2 483 416	2 251 042
Contributions from reserves & operational grants	13 297 078	14 263 134
Sundry	6 409 547	7 905 843
Total Other Income	26 519 471	27 028 382

24 EMPLOYMENT RELATED COSTS

Salaries and allowances	86 276 380	74 114 271
Social contributions	20 925 501	17 674 366
Travel, motor car and other allowances	3 024 796	2 339 729
Housing benefits and allowances	1 316 155	1 515 722
Overtime payments	5 604 003	5 646 368
Performance bonus/ Long-service awards	1 506 933	1 355 993
Leave bonus	6 160 880	5 353 353
Total Employee Related Costs	124 814 649	107 999 801
Less: Charged out to capital projects	-1 982 236	-1 916 678
	122 832 412	106 083 123

Remuneration of the Municipal Manager

Annual Remuneration	471 750	370 936
Performance Bonus	57 600	0
Car Allowance	67 661	50 325
Contributions to UIF, Medical and Pension Funds	51 912	12 175
Severance Package	1 833 333	0
Total	2 482 256	433 436

The payment of a severance package to the Municipal Manager has been condoned by the Council after year-end.

Remuneration of the Deputy Municipal Manager

Annual Remuneration	448 043	67 678
Performance Bonus	0	0
Car Allowance	78 000	15 619

Contributions to UIF, Medical and Pension Funds	87 215	12 703
Total	613 258	96 000

Remuneration of the Chief Financial Officer

Annual Remuneration	392 980	335 870
Performance Bonus	0	35 493
Car Allowance	82 025	42 728
Contributions to UIF, Medical and Pension Funds	89 745	54 991
Total	564 750	469 082

Remuneration of Executive Director Economic Development Services

Annual Remuneration	389 674	158 955
Performance Bonus	0	32 163
Car Allowance	101 339	55 696
Contributions to UIF, Medical and Pension Funds	77 238	32 283
Total	568 251	279 097

Remuneration of Executive Director Public Works Services

Annual Remuneration	414 000	0
Performance Bonus	0	0
Car Allowance	153 000	0
Contributions to UIF, Medical and Pension Funds	1 252	0
Total	568 252	0

Remuneration of the Director Electrical Engineering Services

Annual Remuneration	0	195 660
Performance Bonus	0	32 695

Car Allowance	0	28 762
Contributions to UIF, Medical and Pension Funds	0	42 387
Total	0	299 505

Remuneration of the Director Engineering and Technical Services

Annual Remuneration	0	268 547
Performance Bonus	0	72 257
Car Allowance	0	182 662
Contributions to UIF, Medical and Pension Funds	0	19 004
Severance Package	0	500 000
Total	0	1 042 470

The payment of a severance package to the Director Engineering and Technical Services has been condoned by the Council after year-end.

Remuneration of the Executive Director Social Services

Annual Remuneration	423 822	0
Performance Bonus	0	0
Car Allowance	72 564	0
Contributions to UIF, Medical and Pension Funds	97 528	0
Total	593 914	0

Remuneration of the Director Community Services

Annual Remuneration	281 336	265 869
Performance Bonus	52 704	31 522
Car Allowance	101 772	106 477
Contributions to UIF, Medical and Pension Funds	73 484	66 857

Total	509 296	470 725
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Remuneration of the Director Public Safety Services

Annual Remuneration	280 270	264 861
Performance Bonus	49 737	29 154
Car Allowance	70 516	75 617
Contributions to UIF, Medical and Pension Funds	73 475	67 073
Total	473 998	436 706

Remuneration of the Director Strategic Services

Annual Remuneration	0	403 068
Performance Bonus	0	33 214
Car Allowance	0	35 662
Contributions to UIF, Medical and Pension Funds	0	76 167
Severance Package	0	478 126
Total	0	1 026 237

The payment of a severance package to the Director Strategic Services has been condoned by the Council after year-end.

Remuneration of the Director Corporate Services

Annual Remuneration	280 935	266 479
Performance Bonus	50 728	29 914
Car Allowance	82 131	88 869
Contributions to UIF, Medical and Pension Funds	84 761	75 818
Total	498 555	461 080

The abovementioned disclosures reflect senior management remuneration during

the period of transformation from an executive team of 9 to 6 members.

25 REMUNERATION OF COUNCILLORS

Executive Mayor	226 463	222 977
Deputy Executive Mayor	173 688	177 662
Speaker	157 547	176 462
Mayoral Committee Members	953 408	992 601
Councillors	1 265 485	1 295 542
Medical aid contributions	125 025	98 538
Pension contributions	341 473	602 857
Travelling expenses	698 118	715 361
Housing allowance	298 155	329 907
Telephone allowance	295 551	325 707
Office accommodation	75 718	75 383
Total Councillors' Remuneration	4 610 629	5 012 997

In-kind Benefits

The Executive Mayor, Deputy Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Executive Mayor has use of a Council owned vehicle for official duties. Councillors may utilize official Council transportation when engaged in official duties.

26 INTEREST PAID

Long-term liabilities	1 522 323	1 151 834
Total Interest on External Borrowings	1 522 323	1 151 834

27 BULK PURCHASES

Electricity	61 595 035	59 460 212
Water	4 458 371	4 214 860
Total Bulk Purchases	66 053 406	63 675 072

28 GRANTS AND SUBSIDIES PAID

Sundry Grants	368 450	242 676
Grant to Tourism Associations	3 042 610	940 370
Grant to SPCA	270 757	254 232
Grant iro Rates Exemptions	423 475	388 509
Grant to Festivals	113 400	105 000
Grant iro Rentals	176 345	161 784
Grant to Policing	118 772	0
Grant iro Community Incentives	102 865	0
Total Grants and Subsidies	4 616 674	2 092 571

Sundry grants are grants paid to several deserving institutions that deliver services to the community.

Grants to Tourism Associations are for all these associations in the whole municipal area to help them with the marketing of the area as a tourist destination.

Grants to SPCA are made to help them in the care of neglected animals.

Grants iro Rate Exemptions and Rentals are given to people who qualify for discounts on their annual rates and rental in terms of Council's approved policy hereon.

Grants to Festivals are Council's contribution to all festivals that are held in the municipal area and that helps with the marketing thereof.

Grants to Policing are Council's contribution to neighbourhood watches in assisting crime

prevention in the municipal area.

Grants iro Community Incentives are incentives paid to consumers and rate payers who pay their monthly accounts on a regular basis.

29 GENERAL EXPENSES

Included in general expenses are the following:

Disaster incidents/Relief aid	<u>0</u>	<u>1 315 204</u>
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Disaster incidents/relief aid costs resulted from a major fire during December 2004 that destroyed more than 300 shacks in Kayamandi. The Municipality had to provide temporary shelter and food aid to the affected residents as they were left with nothing. The Minister of Local Government declared it as a disaster and Provincial Government is prepared to refund the Municipality partially for expenditure being incurred.

30 RESTATEMENT OF COMPARATIVE FIGURES

To adhere to new requirements of GAMAP/GRAP it was necessary to restate certain comparative figures for the 2004/2005 financial year. The restatement of figures have a net effect of R16 891 308 on the accumulated surplus of 2004/2005.

31 CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GAMAP/GRAP

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GAMAP/GRAP:

31.1 Provisions and Reserves

Balance previously reported:

Loan Redemption Reserve	296 086
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Implementation of GAMAP/GRAP

Transferred to Accumulated Surplus/(Deficit) (See 29.2 below)	296 086
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31.2 Accumulated Surplus/(Deficit)

Implementation of GAMAP/GRAP

Excessive provisions and reserves no longer permitted (See 29.1 above)	296 086
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32 CASH GENERATED FROM OPERATIONS

Net surplus for the year	47 605 934	51 387 290
Adjustment for:		
Depreciation	31 789 837	27 304 194
Appropriations charged against income:		
Insurance reserve	1 168 895	512 025
Housing schemes	-3 334 650	-1 823 244
Investment income	-9 459 704	-9 289 191
Interest paid	1 522 323	1 151 834
Non-operating income		
Housing Development Fund	0	0
Reserves	0	0
Non-operating expenditure		
Housing Development Fund	-443 109	-521 377
Reserves	1 927	1 262 592
Operating surplus before working capital changes	68 851 452	69 984 124
(Increase)/Decrease in inventories	882 609	-742 854

(Increase)/Decrease in debtors	-2 332 390	-4 495 577
(Increase)/Decrease in other debtors	-856 663	9 753 053
Increase/(Decrease) in provisions	4 883 930	-82 102
Increase/(Decrease) in conditional grants and receipts	6 861 882	-5 082 591
Increase/(Decrease) in VAT	340 097	0
Increase/(Decrease) in creditors	1 050 746	-4 850 188
Cash generated by operations	79 681 662	64 483 865

33 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position:

Bank balances and cash	3 039 057	2 274 969
Cash on hand	37 185	18 565
Call investment deposits	96 298 459	87 367 236
Net increase/(decrease) in cash and cash equivalents	99 374 701	89 660 770

34 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term liabilities (see Note 2)	33 666 561	9 242 833
Used to finance property, plant and equipment - at cost	-33 666 561	-9 242 833
Sub-total	0	0
Cash set aside for the repayment of long-term liabilities	-6 049 478	-5 546 462
Cash invested for repayment of long-term liabilities	-6 049 478	-5 546 462

External loans have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that external

loans can be repaid on redemption date.

35 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

During the period under review expenditure in the amount of R1 833 333 in the abovementioned categories were reported to the relevant authorities in terms of Section 32 of the MFMA, 2003 (Act 56 of 2003).

36 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

Contributions to SALGA

Opening balance	0	0
Council subscriptions	564 807	62 310
Amount paid - current year	-564 807	-62 310
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	0	0

Audit fees

Opening balance	0	0
Current year audit fee	635 922	438 316
Amount paid - current year	-635 922	-438 316
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	0	0

VAT

VAT inputs receivables and VAT outputs receivables are shown in note 8.
All VAT returns have been submitted by the due date throughout the year.

PAYE and UIF

Opening balance	0	-1 079 016
Current year payroll deductions	-21 938 961	-16 158 286
Amount paid - current year	20 956 728	17 237 302
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	-982 233	0

Pension and Medical Aid Deductions

Opening balance	0	0
Current year payroll deductions and Council contributions	-30 558 185	-26 062 261
Amount paid - current year	30 513 428	26 062 261
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	-44 757	0

Councillor's arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days as at:

	Total	Outstanding less than 90 days	Outstanding more than 90 days
30 June 2006			
Councillor Adonis GW	2 672	0	2 672
Councillor Fortuin AC	2 610	832	1 778

Councillor Pheiffer HG	5 668	290	5 378
Councillor Williams EJ	2 118	1 172	946
Total Councillor Arrear Consumer Accounts	13 068	2 294	10 774

	Total	Outstanding less than 90 days	Outstanding more than 90 days
30 June 2005			
Councillor Adonis GW	62	62	0
Councillor Fortuin AC	1 169	71	1 098
Councillor Kalazana MW	496	355	140
Councillor Pheiffer HG	128	128	0
Councillor Qoba LN	2 446	587	1 858
Total Councillor Arrear Consumer Accounts	4 301	1 204	3 097

During the year the following Councillors had arrear accounts outstanding for more than 90 days.

	Highest amount outstanding	Ageing
30 June 2006		
Councillor Adonis GW	2 672	> 90 Days
Councillor Fortuin AC	1 778	> 90 Days
Councillor Pheiffer HG	5 378	> 90 Days
Councillor Williams EJ	946	> 90 Days

	Highest amount outstanding	Ageing
30 June 2005		
Councillor Fortuin AC	1 098	> 90 Days
Councillor Kalazana MW	140	> 90 Days
Councillor Qoba LN	1 858	> 90 Days

All the above Councillors have arrangements in place for the settlement of

these outstanding amounts. Deductions of outstanding amounts from Councillor allowances will be done in future.

37 CAPITAL EXPENDITURE

Infrastructure	44 605 356	24 527 992
Community	14 963 316	12 651 171
Other	43 012 136	34 224 599
Total	102 580 808	71 403 762

This expenditure was financed from:

External Loans	26 072 555	841 852
Asset Finance Reserve	40 973 339	39 538 616
National Government Grants	8 665 413	7 879 142
Provincial Government Grants	22 919 831	15 996 603
Other Sources	3 949 671	7 147 549
	102 580 808	71 403 762

38 CONTINGENT LIABILITIES

The Municipality has no contingent liabilities as at year-end.

39 IN-KIND DONATIONS AND ASSISTANCE

The Municipality did not receive any in-kind donations and assistance.

40 TRANSACTIONS IRO PREVIOUS YEARS

Transactions in respect of previous years that were recorded against Expenditure and Income were the following:

VAT investigation and corrections	0	819 736
Outdated cheques written back	-268 010	-71 416
Expenditure iro previous year	236 736	297 227
Corrections on debtors system	319 927	-190 059
Corrections on main ledger system	-127 763	0
Sundry levies	-2 330	-172 622
Receipts iro previous years	-17 100	0
Arrear water accounts City of Cape Town	3 634 474	0
Workmen's compensation	78 637	0
Electricity metering audit costs	114 000	0
UPN arrears Telkom	570 000	0
Interest on investments	0	-97 050
Correction leave provision	0	-131 847
	4 538 571	453 969

41 LEASE COMMITMENTS

Operating Leases

	Land	Buildings and other fixed assets	Machinery and equipment	Total 2005/2006	Total 2004/2005
Not later than 1 year			559 751	559 751	504 784
Later than 1 year and					

not later than 5 years		549 171	549 171	1 108 922
Total present value				
of lease liabilities	0	0	1 108 922	1 613 706

42 OPERATING COMMITMENTS

Contractual obligations for the payment of R500 000 in the 2006/2007 financial year to Casidra for the Red Door project of the Economic Development Services Directorate existed at 30 June 2006.

43 RETIREMENT BENEFIT INFORMATION

The personnel of Stellenbosch Municipality are members of the funds as set out hereunder. These schemes are subject to tri-annual, bi-annual and annual actuarial valuation as set out.

Cape Joint Pension Fund

The Cape Joint Pension Fund is a multi employer plan and the contribution rate payable is 27%, 9% by the members and 18% by Council. The fund was certified as being in a sound financial condition as at 30 June 2004 by actuary. The valuation disclosed an actuarial surplus of R28,8 million and was funded at 101,2%.

Cape Joint Retirement Fund

The contribution rate paid by the members (9,0%) and Council (18,0%) is sufficient to fund the benefits accruing from the fund in future. The actuary satisfied the fund in a sound financial position as at 30 June 2004.

Municipal Councillors Pension Fund

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The

contribution rate paid by the members (13,75%) and Council (15%) is sufficient to fund the benefits accruing from the fund in the future. The actuarial valuation of the fund was undertaken at 30 June 2002 and reported a funding ratio of 124,5%

SALA Pension Fund

The fund remains financially unsound and was 81,9% funded (which is a decline on the previous statutory valuation in 2001, where it was 92,1% funded) at the valuation date 30 June 2004. There is significant pressure on the required future service contribution rate, since the total of the employer and employee contributions is not sufficient to fund the current benefits as well as the deficit within the remaining 7 year period of the original scheme of arrangement with the Financial Services Board. In a revised scheme of arrangement approved by the Financial Services Board as at 1 July 2003, the Financial Services Board agreed to spread this over 10 years. The revised scheme of arrangement as negotiated with the Financial Services Board has been taken into account in the statutory actuarial valuation 30 June 2004, but the rule amendments giving effect to these changes have not been approved. The council is contributing an additional 2,71% to the fund as from 1 July 2005 effective from July 2003.

South African Municipal Workers Union National Provident Fund

The SAMWU National Provident Fund is a defined contribution scheme. The last actuarial valuation of the fund was performed at 30 June 2002 and certified as being in a financial sound position.

12. APPENDIXES TO FINANCIAL STATEMENTS

APPENDIX A

Schedule of external loans as at 30 June 2006

APPENDIX A STELLENBOSCH MUNICIPALITY: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2006

			Balance at 30/06/2005 R	Received during the period R	Redeemed/ written off during period R	Balance at 30/06/2006 R	Carrying value of PPE R	Other costs in accordance with GAMAP R
Loan Number	Redeemable							
LONG-TERM LOANS								
Stock Loan @ 16.00%	62	2005-12-31	15 000	0	15 000		0	0
Stock Loan @ 16.00%	63	2006-06-30	19 667	0	19 667		0	0
Stock Loan @ 15.391%	64	2006-06-30	1 333	0	1 333		0	0
Stock Loan @ 16.667%	65	2005-09-30	4 560	0	4 560		0	0
Stock Loan @ 15.383%	66	2006-10-31	4 725	0	0	4 725	0	0
Stock Loan @ 13.333%	67	2008-11-30	1 184	0	0	1 184	0	0
Stock Loan @ 15.00%	68	2007-05-31	20 000	0	0	20 000	0	0
Stock Loan @ 15.00%	69	2007-08-31	10 000	0	0	10 000	0	0
Stock Loan @ 15.00%	70	2007-08-31	467	0	0	467	0	0
Stock Loan @ 15.00%	71	2007-09-30	20 000	0	0	20 000	0	0

Stock Loan @ 14.285%	72	2008-11-30	13 334	0	0	13 334	0	0
Stock Loan @ 15.00%	73	2008-08-31	10 000	0	0	10 000	0	0
Stock Loan @ 15.564%	75	2007-06-30	45 334	0	0	45 334	0	0
Stock Loan @ 15.385%	76	2008-06-30	63 333	0	0	63 333	0	0
Stock Loan @ 16.665%	77	2008-12-31	8 334	0	0	8 334	0	0
Stock Loan @ 15.385%	78	2010-06-30	5 000	0	0	5 000	0	0
Stock Loan @ 16.667%	79	2009/11/30	16 667	0	0	16 667	0	0
Stock Loan @ 16.667%	80	2009/12/31	9 000	0	0	9 000	0	0
Stock Loan @ 16.667%	81	2010/11/30	50 000	0	0	50 000	0	0
Stock Loan @ 16.667%	82	2011/11/30	200 000	0	0	200 000	0	0
Stock Loan @ 13.333%	83	2016-06-30	300 000	0	0	300 000	0	0
Stock Loan @ 16.542%	84	2016-06-30	67 000	0	0	67 000	0	0
Total long-term loans			884 938		40 560	844 378	0	0
ANNUITY LOANS								
DBSA @ 11,55%			7 474 113		1 566 337	5 907 776	6 666 822	0
				26 072				
DBSA @ 9,25%			841 852	555		26 914 407	30 048 917	0
ABSA @ 18,00%			41 930		41 930		386 306	0
Total annuity loans			8 357 895	26 072	1 608 267	32 822 183	37 102 046	0
				555				
TOTAL EXTERNAL LOANS			9 242 833	26 072	1 648 827	33 666 561	37 102 046	0
				555				

Debtors to the amount of R16 000 000,00 have been ceded to the Development Bank of Southern Africa in providing security for a loan raised from them (See Note 15).

APPENDIX B

Analysis of property, plant and equipment as at 30 June 2006

APPENDIX B**STELLENBOSCH MUNICIPALITY: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2006**

	Cost					Accumulated Depreciation				Carrying Value
	Opening Balance R	Additions (Purchases) R	Additions (Revaluation) R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R	
Infrastructure										
Access control	810 830				810 830	636 902	102 912		739 814	71 016
Bridges, subways	69 999				69 999	2 340	2 333		4 673	65 326
Bus terminals	20 000				20 000	10 504	1 000		11 504	8 496
Buildings	45 817				45 817	1 531	1 527		3 059	42 759
Car parks	766 541				766 541	255 004	38 327		293 331	473 210
Fencing	1 152 575	199 617			1 352 192	746 501	177 450		923 951	428 241
Footways	543 817	4 153			547 970	13 524	27 191		40 715	507 255
Mains electrical	2 854 764	1 001 341			3 856 105	1 170 122	142 875		1 312 998	2 543 107
Mains water	647 181				647 181	354 274	27 109		381 383	265 798
Meters electrical	2 953 727	147 125			3 100 852	950 143	147 706		1 097 850	2 003 003
Meters Gas	0	18 134			18 134	0	2		2	18 132
Meters water	3 468 514				3 468 514	1 453 170	223 199		1 676 370	1 792 144
					13 405					
Motorways	13 405 977				977	5 557 144	893 732		6 450 876	6 955 101
Outfall sewers	2 094 281				2 094 281	105 001	104 714		209 715	1 884 566
Paving	348 337	121 090			469 427	102 725	17 433		120 158	349 269
Power stations	29 004 269	27 304 547			56 308	6 893 486	969 303		7 862 789	48 446 028

					816					
Pump stations	2 119 626	243 948			2 363 574	387 843	106 015		493 858	1 869 716
Purification worrks	8 535 904	152 723			8 688 627	4 589 096	426 816		5 015 912	3 672 715
Rights	27 652				27 652	2 769	1 383		4 152	23 500
					53 702					
Other roads	51 349 114	2 352 997			111	30 055 410	2 724 943		32 780 353	20 921 758
Runways	14 562				14 562	10 931	728		11 659	2 902
Security system	1 350 245	365 252			1 715 497	119 674	259 252		378 926	1 336 571
					47 394					
Sewers	46 270 823	1 123 750			574	22 671 318	1 900 210		24 571 528	22 823 045
Sludge machines	804 733	41 010			845 743	159 068	53 656		212 724	633 019
Sewerage pumps	301 392				301 392	33 573	20 093		53 666	247 726
Street lighting	3 778 494	1 880 704			5 659 199	14 721	151 346		166 066	5 493 132
					63 006					
Supply/reticulation	57 968 154	5 038 413			567	17 343 445	2 899 098		20 242 542	42 764 024
					80 520					
Supply/reticulation	78 994 524	1 525 858			382	45 691 013	2 676 462		48 367 475	32 152 907
Stormwater drains	2 701 071	831 431			3 532 502	295 537	135 167		430 704	3 101 798
Switchgear equipment	303 870	446 276			750 146	42	15 255		15 296	734 850
Reservoirs & tanks	9 140 283	99 177			9 239 460	2 726 591	457 028		3 183 619	6 055 842
Taxiways	364 589	768 015			1 132 604	50	18 335		18 385	1 114 219
Transformer kiosks	1 000 000				1 000 000	133 425	33 333		166 758	833 242
Traffic islands	447 552	19 022			466 574	30 114	41 760		71 875	394 699
Traffic lights	1 888 510	851 278			2 739 788	505 857	94 542		600 399	2 139 390
Street names	873 733	69 495			943 228	92 361	43 696		136 057	807 171
	326 421 463	44 605 356	0	0	371 026	143 115 208	14 935 933	0	158 051 141	212 975 678
					819					
Community Assets										
Buildings	0	59 850			59 850	0	5		5	59 845
Care centres	122 298				122 298	8 164	4 077		12 241	110 057
Cemeteries	1 053 290	19 795			1 073 085	273 022	35 111		308 134	764 952

Community centres	4 041 203	1 604 118			5 645 320	249 766	134 853		384 619	5 260 701
Clinics/hospitals	2 880 587	801 704			3 682 291	567 238	96 093		663 330	3 018 960
Fire stations	254 042	851 860			1 105 903	35 921	8 546		44 467	1 061 436
Floodlighting	77 283				77 283	52 681	3 864		56 545	20 738
					43 419					
Informal housing	43 419 087				087	8 669 988	2 170 954		10 840 942	32 578 145
Indoor sports	382 500				382 500	35	12 750		12 785	369 715
Lakes and dams	144 548				144 548	41 115	7 227		48 343	96 206
Libraries	159 043				159 043	38 483	5 301		43 784	115 259
					227 981					
Municipal buildings	225 729 145	2 252 451			595	183 903 761	2 158 660		186 062 421	41 919 174
Municipal houses	2 612 702				2 612 702	1 108 283	130 635		1 238 918	1 373 784
Museum/Art Gall	0	717 695			717 695	0	66		66	717 629
Netball courts	140 524				140 524	24 567	7 026		31 593	108 931
					17 272					
Outdoor sports	13 557 575	3 715 213			787	2 596 128	678 360		3 274 488	13 998 299
					11 663					
Parks	7 818 433	3 844 846			279	1 905 791	260 965		2 166 756	9 496 523
Public conveniences	4 836 978	935 170			5 772 148	894 195	161 318		1 055 513	4 716 635
Recreation centres	1 003 094				1 003 094	17 938	33 436		51 375	951 720
Swimming pools	238 811				238 811	61 397	11 941		73 338	165 473
Tennis courts	300 784	160 615			461 399	12 589	15 061		27 650	433 749
	308 771 927	14 963 316	0	0	323 735	200 461 063	5 936 250	0	206 397 314	117 337 929
					243					
Other Assets										
Air conditioner	110 439	17 469			127 908	45 795	16 943		62 737	65 171
Broom-Drawn	0	53 110			53 110	0	29		29	53 081
Bulk containers	160 726				160 726	118 902	14 500		133 401	27 325
Cabinets/cupboards	238 377				238 377	112 260	26 116		138 376	100 002
Canopy	3 365				3 365	3 365	0		3 365	0
Chairs	256 456	19 933			276 389	114 595	28 677		143 273	133 116

Cleaner - steam	16 698	32 778		49 477	16 698	18		16 716	32 760
				11 760					
Computer hardware	9 775 150	1 984 858		008	7 116 900	882 897		7 999 797	3 760 211
Compactor	159 658			159 658	124 239	21 429		145 668	13 990
Compactor	42 589			42 589	29 900	2 539		32 439	10 150
Compter software	3 253 853	311 614		3 565 467	1 620 159	738 671		2 358 830	1 206 637
Control system	754 609			754 609	300 475	150 922		451 397	303 213
Conveyors	25 343			25 343	11 052	1 690		12 742	12 601
Equipment/apparatus	303 871			303 871	267 421	15 734		283 155	20 716
Electrical equipment	850 831	625 096		1 475 926	32 699	165 882		198 582	1 277 345
Laboratory equipment	35 766	11 100		46 866	31 768	2 008		33 775	13 090
Milling equipment	74 913			74 913	44 975	4 994		49 970	24 944
Radio equipment	1 822 940	89 341		1 912 281	296 983	345 953		642 936	1 269 345
Telecommunication	3 001 290			3 001 290	1 485 491	443 239		1 928 730	1 072 560
Feeders	50 987			50 987	12 045	3 399		15 444	35 543
Fire equipment	910 856	9 891		920 747	513 147	41 368		554 514	366 233
Generator	265 420	25 850		291 270	180 226	18 540		198 767	92 504
General plant	2 770 248			2 770 248	2 080 744	304 087		2 384 831	385 417
Household refuse	15 258	539 037		554 294	13 101	2 373		15 473	538 821
				60 851					
Housing schemes	31 966 964	28 884 158		122	356 732	1 068 203		1 424 935	59 426 187
Hoist - refuse	88 901			88 901	72 329	5 529		77 858	11 043
Irrigation systems	17 209			17 209	4 450	1 147		5 597	11 612
Emergency light	48 535			48 535	37 826	3 573		41 399	7 136
Loader - front-end	532 056			532 056	521 668	3 466		525 134	6 922
Miscellaneous furniture	2 647 562	733 683		3 381 245	924 884	273 539		1 198 423	2 182 822
Mixer - concrete	26 220			26 220	26 220	0		26 220	0
Office building	821 098	671 527		1 492 625	73 004	27 431		100 436	1 392 189
Office machines	3 339 795	266 145		3 605 940	1 846 482	989 371		2 835 853	770 087
Other land	191 903 628	5 270 520		197 174	0	0		0	197 174 149

				149					
Pulverising milling	329 727			329 727	268 690	21 982		290 672	39 055
Pumps	805 915			805 915	486 489	104 474		590 963	214 953
Roller - pavements	117 652			117 652	28 793	17 782		46 574	71 078
Tables/desks	205 241	37 881		243 121	105 779	23 809		129 588	113 533
Tippers	817 911			817 911	429 527	54 527		484 054	333 856
Tip sites	445 045	171 741		616 786	14 875	14 851		29 726	587 060
Tools	733 522			733 522	613 991	39 014		653 005	80 516
				36 076					
Town planning	33 420 947	2 655 115		063	25 891 185	2 607 842		28 499 027	7 577 036
Trailers	124 099			124 099	102 327	5 413		107 740	16 359
				275 316					
Vacant land	275 316 568			568	0	0		0	275 316 568
Vehicles	5 828 585			5 828 585	2 410 116	874 632		3 284 747	2 543 838
Buses	360 101			360 101	120 007	24 007		144 014	216 088
Compressors	15 445	9 970		25 415	15 445	5		15 450	9 965
Compactor truck	1 757 634			1 757 634	1 411 354	173 378		1 584 732	172 903
Motor cycles	80 756			80 756	80 756	0		80 756	0
Fire engines	1 925 732	577 811		2 503 544	329 499	91 182		420 681	2 082 863
Farm equipment	175 630			175 630	128 503	29 199		157 701	17 929
Graders	130 000			130 000	117 071	12 929		130 000	0
Lawnmowers	882 045	13 509		895 554	602 625	160 763		763 389	132 165
Vehicle monitor	313 428			313 428	24 544	62 686		87 230	226 198
Roller - mechanic	91 200			91 200	18 290	18 240		36 530	54 670
Pound vehicles	12 826			12 826	12 826	0		12 826	0
Road maintenance	306 764			306 764	142 405	35 598		178 003	128 761
Street sweeper	782 008			782 008	782 008	0		782 008	0
				12 959					
Trucks/bakkies	12 959 072			072	10 572 843	892 673		11 465 516	1 493 556
Tractors	509 893			509 893	337 411	47 309		384 720	125 173
Workshop/Depots	32 781			32 781	16 405	1 093		17 498	15 283

	594 772 138	43 012 136	0	0	637 784 275	63 500 297	10 917 653	0	74 417 950	563 366 324
Total	1 229 965 528	102 580 808	0	0	1 332 546 337	407 076 568	31 789 837	0	438 866 405	893 679 931

APPENDIX C

Segmental analysis of property, plant and equipment as at 30 June 2006

APPENDIX C

STELLENBOSCH MUNICIPALITY: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2006

	Cost					Accumulated Depreciation				Carrying Value R
	Opening Balance R	Additions (Purchases) R	Additions (Revaluation) R	Disposals R	Closing Balance R	Opening Balance R	Additions R	Disposals R	Closing Balance R	
PLANNING AND ECONOMIC DEVELOPMENT										
Planning and Development	4 061 807	5 082 785			9 144 592	435 823	614 507		1 050 330	8 094 262
Building Control	105 254	59 850			165 104	34 427	21 056		55 483	109 621
Town Planning	10 727 311				10 727 311	6 133 278	787 152		6 920 430	3 806 880
Town Development	86 248 068	3 252 130			89 500 198	31 075 712	4 150 995		35 226 707	54 273 490
	101 142 439	8 394 765		0	109 537 204	37 679 241	5 573 710	0	43 252 951	66 284 253
ELECTRICAL ENGINEERING SERVICES										
Electrical Engineering Services	93 209 688	36 524 514			129 734 203	24 515 986	4 447 909		28 963 895	100 770 307
	93 209 688	36 524 514		0	129 734 203	24 515 986	4 447 909	0	28 963 895	100 770 307
FINANCIAL SERVICES										
Financial Services General	9 463 761	242 525			9 706 286	7 222 473	775 726		7 998 199	1 708 087
IT Section	317 466	1 961 750			2 279 216	129	48 121		48 250	2 230 966
Stores	925 187				925 187	64 665	30 864		95 529	829 657

COMMUNITY SERVICES GENERAL	10 706 414	2 204 275		0	12 910 689	7 287 267	854 711	0	8 141 978	4 768 710
Director Community Services	199 011	41 193			240 204	109	39 808		39 917	200 287
Rhenish Complex	166 105				166 105	32 053	5 537		37 590	128 515
Voorgelegen	377 468				377 468	180 573	12 582		193 155	184 313
	742 584	41 193		0	783 777	212 735	57 927	0	270 662	513 115
COMMUNITY SERVICES HOUSING										
Flats	1 741 990				1 741 990	340 330	57 945		398 275	1 343 715
Economic Schemes	33 888				33 888	6 018	1 130		7 147	26 741
Housing General	27 177 862	31 668 120			58 845 982	2 286 337	959 300		3 245 636	55 600 346
Rented Buildings	10 427 542				10 427 542	3 697 052	396 661		4 093 713	6 333 829
	39 381 283	31 668 120		0	71 049 404	6 329 737	1 415 035	0	7 744 772	63 304 632
COMMUNITY SERVICES LIBRARIES										
Plein Street Library	734 029				734 029	258 343	23 738		282 080	451 949
Idas Valley Library	389 035				389 035	125 146	78 434		203 580	185 456
Cloetesville Library	223 153				223 153	91 596	9 237		100 833	122 321
Kayamandi Library	27 318				27 318	8 813	2 400		11 213	16 104
Pniel Library	84 274				84 274	36 190	2 809		39 000	45 274
Franschhoek Library	306 071				306 071	126 067	24 287		150 354	155 717
	1 763 880	0		0	1 763 880	646 155	140 904	0	787 059	976 822
COMMUNITY SERVICES HEALTH										
Health General	486 859				486 859	371 704	31 506		403 210	83 649
Aan-het-pad Clinic	198 715				198 715	39 892	12 352		52 244	146 471
Poli Clinic	297 504				297 504	107 769	8 713		116 482	181 022
Kayamandi Clinic	471 234	431 411			902 644	112 526	19 311		131 836	770 808
Victoria Street Clinic	604 110				604 110	205 754	39 575		245 329	358 781
Kylemore Clinic	594 045				594 045	135 727	19 801		155 529	438 516
Klapmuts Clinic	943 782	106 003			1 049 786	112 638	35 459		148 097	901 689

Don & Pat Bilton Clinic	812 885				812 885	212 690	32 804		245 494	567 391
Groendal Clinic	96 660	264 290			360 950	1 568	3 246		4 814	356 135
Stellenbosch Cemetery	1 729 608	19 795			1 749 403	573 267	87 844		661 111	1 088 292
Pniel Cemetery	25 936				25 936	2	865		867	25 069
Franschhoek Cemetery	183 433				183 433	18 768	16 340		35 108	148 325
	6 444 772	821 499		0	7 266 271	1 892 305	307 817	0	2 200 122	5 066 149
COMMUNITY SERVICES										
PARKS										
Environment & Recreation	379 378	40 301			419 679	97 830	42 250		140 079	279 600
Workshop	725 203				725 203	419 822	55 117		474 940	250 263
Parks Stellenbosch	11 532 915	230 367			11 763 282	4 086 842	524 604		4 611 446	7 151 836
Parks Franschhoek	1 823 955	83 429			1 907 384	832 292	132 888		965 180	942 204
Street Trees	166 502				166 502	161 081	2 714		163 795	2 707
Street Beautification	1 327 324	308 260			1 635 584	311 896	58 055		369 951	1 265 633
Nursery	618 430	1 960			620 390	146 412	19 445		165 858	454 533
Commonage & Plantations	424 701				424 701	226 929	29 008		255 938	168 764
Jonkershoek Picnic Site	60 030				60 030	29 813	2 001		31 814	28 216
Van der Stel Sport	1 513 809	101 710			1 615 518	498 434	74 515		572 949	1 042 569
Idas Valley Sport	610 415	94 877			705 292	254 332	25 458		279 790	425 502
Cloetesville Sport	497 575	91 923			589 498	256 675	33 398		290 073	299 425
Swimming Pool Cloetesville	375 689	160 615			536 303	161 370	14 519		175 889	360 415
Kayamandi Sport	6 074 617	2 991 413			9 066 030	274 983	303 301		578 284	8 487 746
Kylemore Sport	1 113 965	56 155			1 170 120	183 488	60 394		243 882	926 238
Klapmuts Sport	1 304 522	54 525			1 359 047	284 623	94 114		378 738	980 310
Jamestown Sport	1 904 216	200 884			2 105 101	433 301	124 591		557 892	1 547 209
Pniel Sport	3 699 399	78 381			3 777 779	1 684 156	204 056		1 888 212	1 889 568
Groendal Sport	114 126				114 126	32 903	8 011		40 914	73 212
Raithby Sport	1 229 314	45 345			1 274 659	134 355	118 065		252 420	1 022 240
	35 496 085	4 540 145		0	40 036 230	10 511 538	1 926 504	0	12 438 042	27 598 188
ENGINEERING SERVICES										
GENERAL										

Municipal Buildings	626 463 331	309 222			626 772 553	163 849 725	326 908		164 176 634	462 595 919
Engineering Services General	1 823 934	234 206			2 058 140	248 082	330 116		578 198	1 479 942
Workshop	76 878				76 878	66 490	3 466		69 956	6 922
	628 364 143	543 428	0	0	628 907 570	164 164 297	660 490	0	164 824 788	464 082 783
ENGINEERING SERVICES REFUSE										
Market	1 291 838				1 291 838	178 604	11 744		190 349	1 101 490
Refuse Removal	7 221 952	787 283			8 009 234	4 701 237	443 039		5 144 276	2 864 958
Dumping Site	2 375 371				2 375 371	1 021 186	110 093		1 131 279	1 244 092
	10 889 161	787 283		0	11 676 444	5 901 028	564 876	0	6 465 904	5 210 540
ENGINEERING SERVICES SEWERAGE										
Public Facilities	2 765 741				2 765 741	263 241	91 392		354 633	2 411 108
Sewerage Purification Stellenbosch	26 991 544	31 643			27 023 187	11 486 661	1 401 848		12 888 509	14 134 678
Sewerage Network	34 902 394	2 408 361			37 310 755	19 316 165	1 356 442		20 672 607	16 638 148
Composting	1 647 272				1 647 272	742 699	93 817		836 516	810 757
Sewerage Purification Franschhoek	873 343				873 343	259 356	44 280		303 636	569 707
Sewerage Purification	0	11 100			11 100	0	6		6	11 094
	67 180 294	2 451 104		0	69 631 398	32 068 121	2 987 785	0	35 055 906	34 575 492
ENGINEERING SERVICES STREETS										
Roads	64 628 897	2 534 865			67 163 763	36 309 564	3 463 047		39 772 611	27 391 151
Sidewalks	1 235 544	4 153			1 239 698	157 756	76 463		234 219	1 005 479
Stormwater	9 473 448	767 783			10 241 231	1 880 082	589 510		2 469 592	7 771 639
	75 337 890	3 306 801		0	78 644 692	38 347 403	4 129 019	0	42 476 422	36 168 270
ENGINEERING SERVICES WATER										
Water Network	89 862 389	1 907 581			91 769 970	52 559 645	3 509 837		56 069 481	35 700 489
Reservoirs & Supply Lines	11 711 443	104 975			11 816 419	3 205 452	615 247		3 820 699	7 995 719
Purification Idas Valley	2 802 254				2 802 254	555 340	143 852		699 192	2 103 062
Purification Paradyskloof	422 682				422 682	80 779	28 922		109 701	312 982
Purification Franschhoek	123 721				123 721	7 213	14 303		21 516	102 205

	104 922 490	2 012 556		0	106 935 046	56 408 428	4 312 161	0	60 720 589	46 214 457
CORPORATE SERVICES										
Personnel Services	85 944	17 418			103 362	8 021	16 841		24 862	78 499
Corporate Services General	1 828 972	5 629 319			7 458 290	339 456	559 739		899 195	6 559 096
Printing Section	167 402				167 402	167 402			167 402	0
Council General Expenses	16 973 812				16 973 812	8 051 249	1 128 552		9 179 801	7 794 011
Administration Stellenbosch	7 910 157				7 910 157	2 600 263	965 307		3 565 570	4 344 588
Administration Franschhoek	4 288 586				4 288 586	1 831 333	146 447		1 977 781	2 310 805
	31 254 873	5 646 736	0	0	36 901 609	12 997 724	2 816 886	0	15 814 610	21 086 999
MUNICIPAL MANAGER										
Municipal Manager	869 205	144 707			1 013 913	741 567	25 607		767 174	246 739
	869 205	144 707		0	1 013 913	741 567	25 607	0	767 174	246 739
PUBLIC SAFETY FIRE SERVICES										
Fire Services	5 670 330	1 449 513			7 119 843	2 563 047	282 088		2 845 135	4 274 708
	5 670 330	1 449 513		0	7 119 843	2 563 047	282 088	0	2 845 135	4 274 708
PUBLIC SAFETY SHARED SERVICES										
Shared Services	98 831				98 831	84 076	3 903		87 978	10 852
Security	3 831 826	406 486			4 238 313	741 686	678 312		1 419 998	2 818 315
Occupational Safety	52 258				52 258	29	10 452		10 480	41 777
Town Hall Plein Street	1 015 581				1 015 581	465 058	67 559		532 617	482 964
Eikestad Hall	835 614	57 814			893 427	227 454	27 192		254 646	638 782
Community Centre Kayamandi	302 079				302 079	651	10 069		10 721	291 358
Community Hall Pniel	964 228				964 228	61 682	32 141		93 823	870 405
Community Centre Groendal	1 292 960				1 292 960	104 930	43 099		148 029	1 144 931
Town Hall Franschhoek	519 743				519 743	65 871	17 325		83 196	436 547
Community Centre		51 150			51 150		28		28	51 122
	8 913 119	515 450		0	9 428 569	1 751 437	890 078	0	2 641 515	6 787 054
PUBLIC SAFETY TRAFFIC										
Licencing	5 519 122	23 108			5 542 229	2 776 549	277 518		3 054 068	2 488 162

Traffic Control	615 996	611 331			1 227 327	96 819	20 844		117 663	1 109 664
Parking Areas	1 156 572				1 156 572	146 735	16 808		163 543	993 029
	7 291 690	634 439		0	7 926 129	3 020 103	315 170	0	3 335 273	4 590 856
SOCIAL SERVICES										
Exec Directors		187 469			187 469		80		80	187 389
	0	187 469			187 469		80		80	187 389
STRATEGIC SERVICES										
Integrated Development Plan	124 205	665 896			790 100	22 794	34 080		56 874	733 227
Strategic Services General	260 982	40 916			301 898	15 654	46 999		62 654	239 244
	385 186	706 812		0	1 091 998	38 448	81 079	0	119 527	972 471
Total	1 229 965 528	102 580 808	0	0	1 332 546 337	407 076 568	31 789 837	0	438 866 405	893 679 931

APPENDIX D

Segmental statement of financial performance for the year ended 30 June 2006

APPENDIX D STELLENBOSCH MUNICIPALITY: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2006

2004/2005 Actual Income R	2004/2005 Actual Expenditure R	2004/2005 Surplus/ (Deficit) R		2005/2006 Actual Income R	2005/2006 Actual Expenditure R	2005/2006 Surplus/ (Deficit) R
0	2 271 864	-2 271 864	MUNICIPAL MANAGER	0	6 690 140	-6 690 140
0	1 334 096	-1 334 096	Municipal Manager	0	5 144 276	-5 144 276
0	0	0	Deputy Municipal Manager	0	28 039	-28 039
0	937 768	-937 768	Internal Audit	0	1 517 825	-1 517 825
4 288 543	12 688 626	-8 400 083	PLANNING & ECONOMIC DEVELOPMENT	7 088 313	15 345 092	-8 256 779
1 219 517	2 530 503	-1 310 986	Planning and Development	663 381	2 997 767	-2 334 386
2 695 998	1 946 389	749 609	Building Control	3 038 307	2 129 162	909 144
165 828	4 019 804	-3 853 977	Town Planning	134 496	5 997 946	-5 863 450
207 200	4 191 930	-3 984 730	Town Development	3 252 130	4 220 217	-968 087
10 111	1 420 255	-1 410 144	COMMUNITY SERVICES GENERAL	11 230	2 137 912	-2 126 682
0	1 057 607	-1 057 607	Community Services General	0	1 787 270	-1 787 270
0	0	0	Social Services Summit	0	41 642	-41 642
0	193 815	-193 815	Rhenish Complex	0	170 966	-170 966
10 111	168 832	-158 721	Voorgelegen	11 230	138 034	-126 804
10 577 747	20 306 841	-9 729 093	COMMUNITY SERVICES PARKS	6 216 615	22 807 952	-16 591 337

300	707 414	-707 114	Environment & Recreation	0	1 103 272	-1 103 272
0	299 194	-299 194	Workshop'	0	315 334	-315 334
1 599 000	7 450 931	-5 851 931	Parks Stellenbosch	8 800	8 004 944	-7 996 144
270 000	1 401 231	-1 131 231	Parks Franschhoek	0	1 760 170	-1 760 170
0	1 357 690	-1 357 690	Street Trees	0	1 147 022	-1 147 022
0	1 230 611	-1 230 611	Street Beautification	0	1 300 438	-1 300 438
0	318 912	-318 912	Nursery	0	398 786	-398 786
3 760 638	1 736 894	2 023 744	Commonage & Plantations	4 031 069	1 890 761	2 140 308
1 190	461 082	-459 892	Jan Marais Nature Reserve	1 106	446 029	-444 923
81 449	208 779	-127 330	Jonkershoek Picnic Site	48 626	233 027	-184 402
437 641	850 153	-412 512	Van der Stel Sport	50 511	1 145 833	-1 095 322
28 865	814 391	-785 526	Idas Valley Sport	22 000	720 112	-698 112
22 286	567 359	-545 073	Cloeteville Sport	39 465	564 003	-524 538
0	8 877	-8 877	Golf Club	0	23 481	-23 481
13 419	552 657	-539 238	Swimming Pool Cloeteville	18 125	557 825	-539 700
4 144 528	384 637	3 759 891	Kayamandi Sport	1 991 413	736 880	1 254 533
18 043	250 877	-232 834	Kylemore Sport	0	364 282	-364 282
0	294 796	-294 796	Klapmuts Sport	0	392 473	-392 473
0	357 743	-357 743	Jamestown Sport	0	401 731	-401 731
0	717 236	-717 236	Pniel Sport	0	845 615	-845 615
0	130 531	-130 531	Groendal Sport	0	82 993	-82 993
200 388	204 846	-4 458	Raithby Sport	5 500	372 942	-367 442
4 023 339	8 769 568	-4 746 229	COMMUNITY SERVICES HEALTH	7 178 163	8 262 369	-1 084 206
224 785	1 141 123	-916 338	Health General	1 106 131	1 128 015	-21 885
610 398	1 071 298	-460 900	Aan-het-pad Clinic	820 471	959 489	-139 018
322 972	403 218	-80 246	Poli Clinic	841 897	740 692	101 206
639 504	1 140 395	-500 891	Kayamandi Clinic	1 207 927	1 090 349	117 578
570 548	1 055 055	-484 507	Victoria Street Clinic	756 288	808 188	-51 900
152 098	567 934	-415 836	Family Planning	228 126	228 266	-140

295 536	581 508	-285 972	Kylemore Clinic	478 730	500 431	-21 701
302 324	657 824	-355 500	Klapmuts Clinic	730 817	774 727	-43 910
135 841	276 339	-140 498	Don & Pat Bilton Clinic	281 123	310 115	-28 991
0	87 110	-87 110	Pniel Clinic	0	0	0
132 841	141 174	-8 333	Aids Clinic	113 857	108 619	5 238
118 093	120 016	-1 922	TB Clinic	52 613	55 904	-3 291
0	267 632	-267 632	Groendal Clinic	0	12 421	-12 421
0	101 872	-101 872	Pest Control	0	34 645	-34 645
515 289	989 758	-474 469	Stellenbosch Cemetery	503 083	1 210 024	-706 942
0	52 737	-52 737	Pniel Cemetery	4 415	60 876	-56 461
3 110	114 575	-111 465	Franschhoek Cemetery	52 685	239 609	-186 924
111 046	4 012 862	-3 901 816	COMMUNITY SERVICES LIBRARIES	101 436	4 306 169	-4 204 733
27 050	1 926 668	-1 899 618	Plein Street Library	29 845	2 042 086	-2 012 241
23 991	460 876	-436 886	Idas Valley Library	20 167	463 750	-443 583
19 061	474 440	-455 380	Cloetesville Library	15 352	527 852	-512 500
16 566	558 078	-541 512	Kayamandi Library	15 068	560 209	-545 141
5 857	177 104	-171 248	Pniel Library	4 413	248 834	-244 421
18 522	415 696	-397 173	Franschhoek Library	16 591	463 437	-446 847
12 523 323	6 272 077	6 251 246	COMMUNITY SERVICES HOUSING	25 572 014	7 465 170	18 106 844
10 666 425	3 689 553	6 976 872	Housing General	23 642 780	4 961 230	18 681 550
1 856 898	2 582 523	-725 625	Rented Buildings	1 929 234	2 503 940	-574 706
129 681 579	112 091 063	17 590 516	ELECTRICAL ENGINEERING SERVICES	135 180 695	119 492 887	15 687 808
129 681 579	112 091 063	17 590 516	Electrical Engineering Services	135 180 695	119 492 887	15 687 808
21 155	8 581 942	-8 560 787	PUBLIC SAFETY FIRE SERVICES	17 380	9 444 067	-9 426 687
21 155	8 581 942	-8 560 787	Fire Services	17 380	9 444 067	-9 426 687

31 818 771	33 054 370	-1 235 599	PUBLIC SAFETY TRAFFIC	34 106 075	37 941 945	-3 835 870
17 961 480	15 453 810	2 507 670	Licencing	17 892 878	16 560 022	1 332 856
12 285 502	15 975 322	-3 689 820	Traffic Control	14 650 587	20 190 286	-5 539 699
1 571 789	1 625 238	-53 449	Parking Areas	1 562 610	1 191 637	370 973
328 175	10 354 813	-10 026 638	PUBLIC SAFETY SHARED SERVICES	291 478	11 237 319	-10 945 841
0	1 587 426	-1 587 426	Public Safety General	0	2 183 537	-2 183 537
0	1 949 160	-1 949 160	Disaster Management	500	1 388 813	-1 388 313
78	4 658 684	-4 658 606	Security	227	5 872 385	-5 872 158
12 618	301 724	-289 106	Occupational Safety	3 538	136 989	-133 451
237 396	1 095 098	-857 701	Town Hall Plein Street	241 908	980 229	-738 321
19 388	216 738	-197 351	Eikestad Hall	18 210	218 166	-199 956
555	145 897	-145 342	Community Centre Kayamandi	1 345	117 345	-116 000
10 900	51 220	-40 320	Community Hall Pniel	12 625	47 101	-34 476
0	220 588	-220 588	Community Centre Groendal	0	219 507	-219 507
0	6 575	-6 575	Community Hall Groendal	0	28	-28
47 240	121 703	-74 463	Town Hall Franschhoek	13 125	73 219	-60 094
34 876	4 605 316	-4 570 440	ENGINEERING SERVICES GENERAL	99 763	6 134 521	-6 034 758
0	2 243 776	-2 243 776	Municipal Buildings	0	2 447 021	-2 447 021
34 876	2 336 730	-2 301 854	Engineering Services General	99 763	3 621 278	-3 521 515
0	24 810	-24 810	Workshop	0	66 222	-66 222
17 095 523	18 293 214	-1 197 691	ENGINEERING SERVICES REFUSE	19 247 191	22 648 288	-3 401 098
96 075	18 651	77 424	Market	74 984	21 431	53 553
16 654 922	13 389 664	3 265 257	Refuse Removal	18 932 930	18 025 440	907 490
344 526	1 575 000	-1 230 474	Dumping Site	239 230	2 134 328	-1 895 099
0	684 336	-684 336	Klapmuts Transfer Station	47	415 577	-415 529
0	2 625 564	-2 625 564	Cleaning of Streets	0	2 051 513	-2 051 513

23 100 970	26 083 332	-2 982 363	ENGINEERING SERVICES SEWERAGE	25 500 145	27 878 098	-2 377 954
498 957	1 415 320	-916 362	Public Facilities	0	1 904 233	-1 904 233
22 130 181	7 887 642	14 242 539	Sewerage Purification Stellenbosch	24 223 498	14 601 393	9 622 105
344 655	13 822 088	-13 477 433	Sewerage Network	1 237 567	8 420 711	-7 183 144
127 176	1 015 092	-887 916	Composting	39 080	931 439	-892 359
0	152 692	-152 692	Sewerage Purification Klapmuts	0	180 855	-180 855
0	344 770	-344 770	Sewerage Purification Franschhoek	0	341 063	-341 063
0	981 658	-981 658	Sewerage Purification Pniel	0	1 039 343	-1 039 343
0	464 071	-464 071	Sewerage Purification Rural	0	459 062	-459 062
5 307 159	15 146 420	-9 839 261	ENGINEERING SERVICES STREETS	376 374	15 466 783	-15 090 409
5 307 159	8 674 795	-3 367 636	Roads	376 374	9 402 229	-9 025 855
0	1 688 246	-1 688 246	Sidewalks	0	1 529 827	-1 529 827
0	4 783 378	-4 783 378	Stormwater	0	4 534 727	-4 534 727
37 913 344	39 731 670	-1 818 326	ENGINEERING SERVICES WATER	47 544 713	48 429 053	-884 340
37 833 837	30 191 090	7 642 748	Water Network	47 544 713	37 934 994	9 609 719
0	4 297 789	-4 297 789	Reservoirs & Supply Lines	0	5 562 240	-5 562 240
0	2 807 192	-2 807 192	Purification Idas Valley	0	2 689 183	-2 689 183
79 506	2 325 095	-2 245 589	Purification Paradyskloof	0	2 207 968	-2 207 968
0	110 505	-110 505	Purification Franschhoek	0	34 668	-34 668
505 632	31 486 969	-30 981 336	CORPORATE SERVICES	820 600	40 140 176	-39 319 576
0	0	0	Innovation Centre	0	0	0
0	3 467 389	-3 467 389	Human Resources Services	500	4 308 428	-4 307 928
235	5 273 169	-5 272 933	Corporate Services General	0	1 154 182	-1 154 182
0	822 179	-822 179	Liaison Services	0	762 214	-762 214
0	354 052	-354 052	Printing Section	0	304 198	-304 198
470 281	16 467 458	-15 997 177	Council General Expenses	731 936	21 301 316	-20 569 380
0	2 092 571	-2 092 571	Council Donations	0	4 616 674	-4 616 674

0	802 180	-802 180	Council Mayor's Office	80 000	1 034 589	-954 589
0	0	0	Council Speaker's Office	0	33 439	-33 439
35 116	1 937 925	-1 902 809	Administration Stellenbosch	8 090	2 041 029	-2 032 939
0	270 046	-270 046	Administration Franschhoek	0	504 182	-504 182
0	0	0	Documentation and Land Management	74	3 209 407	-3 209 333
0	0	0	Secretariate and Administration	0	546 426	-546 426
0	0	0	Legal services	0	320 271	-320 271
0	0	0	Council Deputy Mayor's office	0	3 822	-3 822
67 452	1 889 322	-1 821 869	STRATEGIC SERVICES	46 096	2 166 204	-2 120 108
67 452	622 206	-554 753	Integrated Development Plan	46 096	712 765	-666 669
0	960 665	-960 665	Strategic Services General	0	885 323	-885 323
0	306 451	-306 451	Ward Committees	0	568 116	-568 116
116 373 655	54 635 801	61 737 853	FINANCIAL SERVICES	97 450 578	23 624 965	73 825 612
82 076 822	17 135 034	64 941 788	Financial Services General	97 437 667	18 257 470	79 180 197
0	3 098 332	-3 098 332	Information Technology	0	4 363 791	-4 363 791
810 156	915 759	-105 603	Stores	12 911	862 439	-849 528
			Supply Chain Management Unit	0	141 266	-141 266
16 743 338	16 743 338	0	SPECIAL FUNDS	17 735 546	17 866 038	-130 491
10 876 767	10 876 767	0	Masakhane	14 019 716	14 019 716	0
2 493 584	2 493 584	0	Special Fund Leave Gratification	1 475 777	1 475 777	0
312 614	312 614	0	Special Fund Self-Insurance	180 861	180 861	0
200 000	200 000	0	Special Fund Special Clean-up Operations	0	0	0
24 451	24 451	0	Special Fund Performance Management	66 943	66 943	0
456 840	456 840	0	Special Fund LWGSETA Training	280 312	280 312	0
713 566	713 566	0	Special Fund Pilot Site	1 425 970	1 425 970	0
126 298	126 298	0	Special Fund Dilbeeck	8 560	8 560	0
1 017 438	1 017 438	0	Special Fund Western Cape Water Quality	0	0	0

92 300	92 300	0	Special Fund Growth Management Strategy	0	0	0
219 408	219 408	0	Special Fund Leuven Study Grant	166 000	166 000	0
210 071	210 071	0	Special Fund NLDTF Bergzicht Training Centre	0	0	0
0	0	0	Special Fund PMU	0	130 491	-130 491
0	0	0	Special Fund Infrastr Roads and Stormwater	62 406	62 406	0
0	0	0	Special Fund Asset Val (Red)	49 000	49 000	0
4 351 164	4 351 164	0	HOUSING	7 760 759	7 760 759	0
4 351 164	4 351 164	0	Housing Schemes	7 760 759	7 760 759	0
398 133 565	416 047 488	-17 913 923	Sub-Total	432 345 162	457 245 905	-24 900 743
0	-69 301 213	69 301 213	Less: Inter-departmental Charges	0	-70 378 114	70 378 114
398 133 565	346 746 275	51 387 290	Total	432 345 162	386 867 791	45 477 371

APPENDIX E (1)

Actual vs. budget (acquisition of property, plant & equipment) for the year ended 30 June 2006

APPENDIX E(1) STELLENBOSCH MUNICIPALITY: ACTUAL vs. BUDGET (REVENUE & EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2006

	2005/2006 Actual R	2005/2006 Original Budget R	2005/2006 Adjusted Budget R	2005/2006 Variance R	2005/2006 Variance %	Explanation of Significant Variances Greater than 10% versus Budget
REVENUE						
Property rates	86 577 425	79 085 724	79 085 724	7 491 701	9.47	
Property rates - penalties imposed and collection charges	794 222	1 033 000	1 033 000	-238 778	-23.11	As part of Payment-for-services-campaign raising of interest temporarily stopped
Service charges	210 825 625	207 296 353	206 346 353	4 479 272	2.17	
Rental of facilities and equipment	6 840 273	7 085 308	7 085 308	-245 035	-3.46	
Interest earned - external investments	9 459 704	8 840 736	8 840 736	618 968	7.00	
Interest earned - outstanding debtors	2 931 385	3 033 926	3 033 926	-102 541	-3.38	
Fines	15 431 818	14 514 393	14 514 393	917 425	6.32	
Licences and permits	18 344 254	18 448 754	18 448 754	-104 500	-0.57	
Government grants and subsidies	52 799 877	22 703 052	22 880 552	29 919 325	130.76	Capital receipts not budgeted for recorded via Statement of Financial Performance
Other income	26 519 471	27 995 375	28 767 875	-2 248 404	-7.82	Income on several votes realised lower than expected
Public contributions, donated and contributed property, plant and equipment	3 949 671	0	0	3 949 671	100.00	Capital receipts not budgeted for recorded via Statement of Financial Performance
Gains on disposal of property, plant and equipment	0	0	0	0	0.00	

Total Revenue	434 473 725	390 036 621	390 036 621	44 437 104	10.23	
EXPENDITURE						
Employee related costs	122 832 412	131 181 215	124 500 330	-1 667 918	-1.34	
Remuneration of Councillors	4 610 629	5 170 276	5 170 276	-559 647	-10.82	Councillor vacancies existed during the period under review
Bad debts	14 299 563	7 562 556	12 953 535	1 346 028	10.39	Higher contribution to adhere to prescribed standards
Collection costs	1 342 243	509 130	1 706 563	-364 320	-21.35	Costs paid as % of actual amounts collected - Collections lower than expected
Depreciation	31 789 837	34 835 765	31 985 199	-195 362	-0.61	
Repairs and maintenance	20 793 741	15 651 558	16 754 818	4 038 923	24.11	
Interest on borrowings	1 522 323	2 035 505	2 035 505	-513 182	-25.21	External loan raised later in year than expected
Bulk purchases	66 053 406	68 043 682	66 958 682	-905 276	-1.35	
Grants and subsidies paid	4 616 674	5 015 037	5 015 037	-398 363	-7.94	
General expenses - other (including abnormal expenses)	110 264 349	109 454 008	110 234 899	29 450	0.03	
Contributions to/(transfers from) provisions	8 742 613	10 577 889	12 721 777	-3 979 164	-31.28	Actual provisions calculated to be lower than expected
Sub-total	386 867 791	390 036 621	390 036 621	-3 168 830	-0.82	
NET SURPLUS/(DEFICIT) FOR THE YEAR	47 605 934	0	0	47 605 934	100.00	

APPENDIX E (2)

Statistical information

APPENDIX E(2)

STELLENBOSCH MUNICIPALITY: ACTUAL vs. BUDGET (ACQUISITION OF PROPERTY, PLANT & EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2006

	2005/2006 Actual R	2005/2006 Budget R	2005/2006 Variance R	2005/2006 Variance %	Explanation of Significant Variances Greater than 5% versus Budget
Infrastructure					
Fencing	199 617	1 615 232	-1 415 615	-87.64	Pj.05-0083 actual expenditure realised lower than budgeted amount
Footways	4 153	7 000	-2 847	-40.67	Pj.04-0108oa actual expenditure realised lower than budgeted amount
Mains elec	1 001 341	1 000 000	1 341	0.13	
Meters elec	147 125	147 125	0	0.00	
Meters gas	18 134	19 000	-866	-4.56	
Paving	121 090	1 123 000	-1 001 910	-89.22	Pj.05-0021 did not realise (ad hoc)
Power stations	27 304 547	28 101 640	-797 093	-2.84	
Pump stations	243 948	250 000	-6 052	-2.42	
Purification works	152 723	903 000	-750 277	-83.09	Pj.02-0199 did not realise (ad hoc)
Other roads	2 352 997	9 854 919	-7 501 922	-76.12	Pj.04-0006, Pj.04-0119, Pj.05-0017, Pj.05-0051 did not realise (ad hoc)
Security system	365 252	367 777	-2 525	-0.69	
Sewers	1 123 750	4 100 000	-2 976 250	-72.59	Pj.03-0124b, Pj.05-0080 actual expenditure realised lower than budgeted amount
Sludge machines	41 010	43 230	-2 220	-5.14	
Street lighting	1 880 704	3 880 749	-2 000 045	-51.54	Pj.02-0268, Pj.02-0269, Pj.05.0078 actual expenditure realised lower than budgeted amount
Supply/reticulation elec	5 038 413	5 361 027	-322 614	-6.02	
Supply/reticulation water	1 525 858	4 660 360	-3 134 502	-67.26	Pj.05-0036, Pj.05-0081 did not realise (ad hoc)

Stormwater drain	831 431	854 701	-23 270	-2.72	
Switchgear equipment	446 276	450 000	-3 724	-0.83	
Reservoirs & tanks	99 177	100 000	-823	-0.82	
Taxiways	768 015	3 080 000	-2 311 985	-75.06	Pj.04-0133 actual expenditure realised lower than budgeted amount
Traffic islands	19 022	19 833	-811	-4.09	
Traffic lights	851 278	2 184 080	-1 332 802	-61.02	Pj.05-0015 actual expenditure realised lower than budgeted amount
Street names & signs	69 495	70 000	-505	-0.72	
	44 605 356	68 192 673	-23 587 317	-34.59	
Community Assets					
Buildings	59 850	59 945	-95	-0.16	
Cemeteries	19 795	20 000	-205	-1.03	
Community centre	1 604 118	1 722 600	-118 482	-6.88	
Clinics/hospital	801 704	991 050	-189 346	-19.11	Pj.05-0005 actual expenditure realised lower than budgeted amount
Fire station	851 860	1 180 000	-328 140	-27.81	Pj.04-0056 actual expenditure realised lower than budgeted amount
Indoor sports	0	10 000	-10 000	-100.00	Pj.04-0108pd did not realise
Municipal building	2 252 451	3 835 900	-1 583 449	-41.28	Pj.05-0050, Pj.05-0014 actual expenditure realised lower than budgeted amount
Museum/Art Gallery	717 695	718 000	-305	-0.04	
Outdoor sports	3 715 213	3 727 613	-12 400	-0.33	
Parks	3 844 846	6 636 750	-2 791 904	-42.07	Pj.04-0096 actual expenditure realised lower than budgeted amount
Public conveniences	935 170	967 240	-32 070	-3.32	
Tennis courts	160 615	165 000	-4 385	-2.66	
	14 963 316	20 034 098	-5 070 782	-25.31	
Other Assets					
Air Conditioners	17 469	17 500	-31	-0.18	
Broom - drawn	53 110	64 000	-10 890	-17.02	Pj.05-0091 actual expenditure realised lower than budgeted amount
Chairs	19 933	20 000	-67	-0.34	
Cleaner-steam	32 778	32 190	588	1.83	
Computer hardware	1 984 858	2 023 110	-38 252	-1.89	

Compter softwar	311 614	400 000	-88 386	-22.10	Pj.03-0153 actual expenditure realised lower than budgeted amount
Electrical equipment	625 096	625 350	-254	-0.04	
Laboratory equipment	11 100	15 000	-3 900	-26.00	Pj.04-0076g actual expenditure realised lower than budgeted amount
Radio equipment	89 341	90 000	-659	-0.73	
Fire equipment	9 891	10 000	-109	-1.09	
Generator	25 850	26 350	-500	-1.90	
House hold refuse bins	539 037	660 000	-120 963	-18.33	Pj.05-0085 actual expenditure realised lower than budgeted amount
Housing schemes	28 884 158	59 929 120	-31 044 962	-51.80	Several ad hoc capital projects did not commence, while actual expenditure on others realised less than budgeted amount
Miscellaneous f	733 683	888 900	-155 217	-17.46	Pj.03-0144, Pj.04-0067 actual expenditure realised lower than budgeted amount
Office building	671 527	670 262	1 265	0.19	
Office machines	266 145	265 437	708	0.27	
Other Land	5 270 520	7 000 000	-1 729 480	-24.71	Pj.04-0103 actual expenditure realised lower than budgeted amount
Tables/desks	37 881	38 500	-619	-1.61	
Tip sites	171 741	180 000	-8 259	-4.59	
Town planning	2 655 115	2 321 000	334 115	14.40	
Compressors	9 970	10 000	-30	-0.30	
Fire engines	577 811	700 000	-122 189	-17.46	Pj.04-0057 actual expenditure realised lower than budgeted amount
Lawnmowers	13 509	13 510	-1	-0.01	
	43 012 136	76 000 229	-32 988 093	-43.41	
Total	102 580 808	164 227 000	-61 646 192	-37.54	

APPENDIX F

Statistical information

APPENDIX F

STELLENBOSCH MUNICIPALITY: DISCLOSURES OF GRANTS AND SUBSIDIES FOR THE YEAR ENDED 30 JUNE 2006

IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Name of Grant	Name of organ of state	Quarterly Receipts				Quarterly Expenditure				Grants and Subsidies delayed / withheld				Reasons for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act?	Reason for non-compliance
		Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June			
Equitable share	National Government	4 260 214	0	8 520 428	0	4 260 214	0	8 520 428	0	0	0	0	0		Yes	
Provincial health subsidies	Dept Health	0	1 129 440	1 349 792	3 987 512	1 129 440	1 349 792	1 925 783	2 061 729	0	0	0	0		Yes	
Performance management		0	0	0	0	0	0	37 630	29 313	0	0	0	0		Yes	
Financial management grant	National Treasury	1 000 000	0	0	0	94 235	950 975	354 620	26 140	0	0	0	0		Yes	
LGWSET A Training		0	0	341 417	37 910	0	4 051	133 099	143 162	0	0	0	0		Yes	

Infrastructure roads & stormwater Electricity asset valuation Magazine subsidy Proclaimed roads maintenance National government - Capital projects Provincial government - Capital projects	PAWC	0	0	0	62 406	0	0	62 406	0	0	0	0	0	Yes
	CWDM	0	0	0	49 000	0	0	0	49 000	0	0	0	0	Yes
	PAWC	362	0	0	2 253	362	0	0	2 253	0	0	0	0	Yes
	PAWC	0	0	80 000	0	0	0	80 000	0	0	0	0	0	Yes
	MIG Funds	4 650 000	0	4 150 000	1 138 319	610 903	2 197 083	2 903 944	4 096 881	0	0	0	0	Yes
	National Housing Board, DME, PAWC	0	0	12 193 780	2 108 351	0	0	0	24 911 244	0	0	0	0	Yes
		9 910 576	1 129 440	26 635 418	7 385 751	6 095 154	4 501 902	14 017 910	31 319 723	0	0	0	0	

APPENDIX G**Statistical information****APPENDIX G****STELLENBOSCH MUNICIPALITY: STATISTICAL INFORMATION**

	2005/2006	2004/2005	2003/2004
GENERAL STATISTICS			
Population	±118708	±117 000	106 126
Number of registered voters	64 143	60 742	56 832
Area (in km ²)	811	811	811
Valuation			
Taxable	14 799 353 465	9 801 938 500	9 377 225 188
Non-taxable	636 066 595	370 003 145	364 802 540
Valuation date	01/01/2004	01/01/2000	01/01/2000
Number of properties			
Residential	19 160	17 516	16 520
Other	4 061	3 970	3 943
Assessment rates			
Non-residential (per rand)	0.9092c	1,3583c	1,1811c
Residential (per rand)	0.6365c	0,9330c	0,8113c
Rebates			
Pensioners: income to R3 500pm	15%	15%	15%
R3 501 to R4 000pm	10%		
Johannesdal (small holdings)	Discontinued	35%	35%
Number of employees	1 084	981	945
CLEANSING			
Distance in kilometers	361 096	347 728	237 840
Refuse removed	364 500	255 500	224 179
Total expenditure - Rand	22 648 288	18 293 214	13 973 941
Cost per m removed - Rand	62.14	71.60	62.33
Total income - Rand	16 721 271	17 095 523	13 275 877
Income per m removed - Rand	45.87	66.91	59.22
SEWERAGE			
Sewerage water purified - megaliter	7 572	9 457	6 237
Total expenditure - Rand	27 878 098	26 083 332	22 868 706
Cost per megaliter purified - Rand	3 681.74	2 758.10	3 666.62
ELECTRICITY			
Units (kWh) bought	364 383 812	352 985 119	341 870 000
Cost per kWh bought - cents	16.90c	17.00c	14.90c
Units (kWh) sold	343 276 286	348 643 402	336 741 000
Units (kWh) unaccounted for in distribution	21 107 526	4 341 717	5 129 000
Percentage lost in distribution	5.79	1.23	1.50
Total expenditure - Rand	119 492 887	112 091 063	101 485 796
Cost per unit sold - cents	34.81	32.15	30.14

Total income - Rand	127 745 420	120 737 785	116 755 622
Income per unit sold - cents	37.21	34.63	34.67
Number of consumers	23 390	21 996	21 551
WATER			
Units (kiloliter) bought	2 655 465	4 632 861	1 753 819
Cost per kiloliter bought - cents	33.57c	33.93c	31.60c
Units (kiloliter) sold	9 163 219	8 742 811	8 844 825
Kiloliter unaccounted for in distribution	3 585 901	3 175 912	not measured
Percentage un accounted for in distribution			
Total expenditure - Rand	48 429 053	39 731 670	31 558 012
Cost per kiloliter sold - cents	528.52	454.45	356.80
Total income - Rand	45 582 458	34 109 170	39 900 233
Income per kiloliter sold - cents	497.45	390.14	451.11
Number of users	19 056	18 662	17 181

4.5 REPORT OF THE AUDIT COMMITTEE TO THE STELLENBOSCH MUNICIPALITY FOR THE YEAR ENDED 30 JUNE 2006

1. INTRODUCTION

At 30 June 2006 the Audit Committee comprised of the following members:

- A M Vos (Chairperson)
- J Pretorius
- R L C Strydom (Ms)

The Audit Committee performs its function in terms of its approved Charter and the Municipality Finance Management Act. The Audit Committee functions as a sub-committee of and is responsible to the Council and has an oversight function which includes:

- financial management and other reporting practices;
- internal controls and risk management;
- compliance with laws, regulations and ethical practices; and
- the outsourced internal audit function.

2. REPORT ON THE ACTIVITIES OF THE AUDIT COMMITTEE

The Audit Committee met on 5 occasions during the 2006 financial year.

The most important aspects which the Audit Committee devoted its attention to during the year ended June 2006 were:

- reviewed the Stellenbosch Municipality's Annual Financial Statements for the year ended 30 June 2006
- reviewed the report on risk management within the Municipality
- reviewed the report on performance measurement within the Municipality
- reviewed the proposed internal audit program

3. CONCLUSIONS IN RESPECT OF THE YEAR UNDER REVIEW

The Audit Committee wishes to report to the Council that:

- 3.1 In its opinion the charter of the Audit Committee had been appropriately aligned to the prevailing legislation and the corporate governance practices in force during the period. The charter permits effective audit committee oversight on risk management, governance and control within the Municipality.
- 3.2 The Committee has assessed the statutory requirements and considered formal and informal reports from management and internal audit regarding the degree to which the Municipality is in compliance therewith.
- 3.3 The Committee reviewed the financial statements of the Municipality and is satisfied that these fairly present the financial position and results of operations.
- 3.4 Control weaknesses identified by Internal Audit and recommendations for control enhancements have been, or are in the process to be, implemented by the Municipality.

- 3.5 The Committee is satisfied that control weaknesses identified do not, in aggregate, constitute a material breakdown in the Stellenbosch Municipality's overall internal control system.
- 3.6 The Committee approved the internal audit plan for the 2005/2006 financial year.

Signed:

A M VOS

On behalf of the Audit Committee of Stellenbosch Municipality

23 January 2007

CHAPTER 5

Functional Service Delivery Reporting

5.1 OFFICE OF THE MUNICIPAL MANAGER

The Office of the Municipal Manager consisted of various functions, including Area Managers, Policy Development and Executive Support and a Youth, Gender and Disabled Desk. Since the Municipal Manager left, these functions were unbundled, phased out, or transferred to other Departments.

COMMUNICATION

1. Description of the function

Corporate communication, both internally and externally, is an important strategic matter for any municipality. The function is responsible for internal and external liaison. Internally, it renders communication support services (marketing, posters and ward committees) to the other directorate. Externally, it renders public relations services to both the organisation and its social partners.

The Corporate Services Directorate has a dedicated communication function aimed at ensuring quality control in terms of the content, medium and frequency of communication. The function provides strategic leadership in the municipal communication field including the formulation and implementation of a communication strategy.

2. The Municipality's mandate

Communication Services has been mandated by way of delegation to ensure that any communication issue that involves the Municipality is within the boundaries of the law.

3. Strategic objectives of the function

- (a) To design and compile a strategic plan for communication in the municipality.
- (b) To implement an effective communication system in the municipal area.

4. Key issues

- (a) The corporate image is a sensitive issue and consensus has to be reached in terms of whose responsibility this is.
- (b) The scope of external communication is currently very narrowly defined and there is a need to extend this definition to include areas outside Stellenbosch town.
- (c) The strategic input and advice of the communication practitioner should be obtained timeously in decision-making processes and the role and importance of the communication function should be revisited.

5. Gaps in service delivery

- (a) A need for specialised capacity in terms of personnel
- (b) An shortage of infrastructure (office equipment)
- (c) Operational tasks take up most of the time; consequently little time is spent on strategic planning. The role of the communication practitioner should have two clearly identifiable components, i.e. an operational and a strategic component.

6. Mechanisms to overcome gaps

- (a) To clearly distinguish between the strategic and operational components of the communication function.
- (b) To establish a well equipped communication centre (office).
- (c) To train the current communication assistant to provide specialised administrative support to the function.

STRATEGIC SERVICES

1. Description of the function

Strategic Services is a staff function department providing a unique support service to all departments, Municipal Manager, council and the community. The department manages information relating to IDP management, financial management, performance management and project progress management in order to facilitate institutional preparedness to enable Stellenbosch Municipality to fulfil its mandate in terms of the legislative framework.

A unique Strategic Management System (SMS) was developed by the Municipality in order to give guidance and direction on strategic priorities and performance management.

2. The Municipality's mandate

Stellenbosch Municipality is mandated to produce an annual reviewed IDP document, which is the culmination of thorough internal and external assessment and planning. In this regard Strategic Services has been mandated to fulfil the obligation of structuring participation through establishing and supporting the ward system.

Strategic Services must furthermore produce annual performance management reports to various governmental and public stakeholders in accordance to legislation.

3. Strategic objectives of the function

Our Strategic point of view is that performance matters. Organisations today need to be both strategically and operationally excellent to survive and meet tomorrow's

challenges. We strive towards inculcating a new approach to strategic management – one that can put ideas into action that can create an organisation which:

- Is healthy, balanced, efficient and effective;
- Provides service to its customers as well as its employees; and
- Puts value on results.

Stellenbosch Municipality's strategic management approach is the cornerstone of our service and operations delivery to the public.

We believe that before we can allocate our available resources, we must first understand the needs and desires of the residents in our area. By looking ahead and asking our public what they need, we establish a vision for what level of service we will provide, along with what resources will be necessary to provide them. We believe that a strategic approach will ensure that we use our scarce resources in an optimal way.

4. Key issues

- (a) Functioning Ward Committees and the rendering of support to these structures
- (b) Annual IDP review
- (c) Annual performance reporting
- (d) Speeding up of corporate transformation
- (e) Providing access and training with regard to the SMS database for all users

5. Gaps in service delivery

- (a) Administrative support to ward committees
- (b) Offices and equipment for ward committees
- (c) Lacking participation of certain special interest groups

6. Mechanisms to overcome gaps

- (a) Improve community participation by revising structures and processes
- (b) Ongoing improvement of processes and administration by developing skills of clerical staff and by providing equipment
- (c) Improve access of key role-players to strategic processes.
- (d) Develop framework for reporting internal analysis for all departments in accordance with Budget Circular 2 from the National Treasury
- (e) Ensure implementation of the IDP through ongoing tracking by utilising the IT based Strategic Management System (SMS)
- (f) Facilitate the co-ordination of inter-governmental relationships and networking ensuring that key partners are involved appropriately
- (g) Develop clear, concise and user-friendly policy documents
- (h) Coordination of by-laws development in line with IDP requirements
- (i) Ongoing development and implementation of performance management system
- (j) Investigate ways to improve organisational productivity.
- (k) Utilising strategic planning as an agent for change

5.2 ECONOMIC FACILITATION SERVICES

CULTURAL LANDSCAPE

1. Description of the function

The Division provides maintenance and repair services to municipal buildings for various departments, including the public with regards to municipal houses and flats. Additional to maintenance and repairs, this Division also advise and manage new building projects for the municipality. One of the core functions for this Division is to preserve the cultural and historical buildings owned by the municipality.

2. The Municipality's mandate

The Division has the mandate to provide a quality and effective service in the field of building projects and maintenance especially on its historical buildings.

3. Strategic objectives of the function

- (a) Create a department that exclusively manages municipal assets and the maintenance of it.
- (b) To decentralise services, meaning building maintenance are situated geographically thus enhancing a better quality of service delivery.
- (c) Promote sector development in ensuring our historical buildings are aesthetically thus promoting tourism.
- (d) To draw up a Maintenance Plan that will enable the Division to budget more effectively when compiling for operational and capital projects.

4. Key issues

- (a) Software needed to log complaints and to automatically draw up statistics.
- (b) Educate public on managing municipal assets to minimise unnecessary damage to properties.
- (c) Constantly develop skills to ensure new ideas and quality workmanship is brought into the organisation.

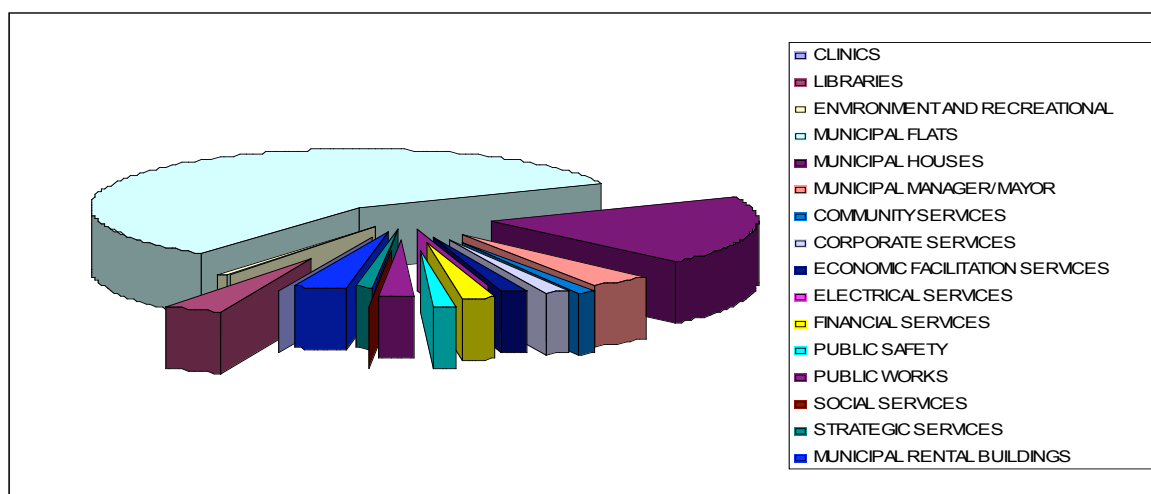
5. Gaps in service delivery

- (a) Organic growing budget. The budget not link to any Maintenance Plan.
- (b) Maintenance lowest on priority list when compiling budgets.
- (c) Additional Project Manager required meeting the ever demanding requirements needed by the municipality with regards to building projects and maintenance.
- (d) The set-up of the Division should be revised enabling it to deal with all aspects of maintenance and building projects thus eliminating "grey areas" that exist.
- (e) Vehicular shortage on the existing staff affects an effective service delivery.

6. Analysis of the function

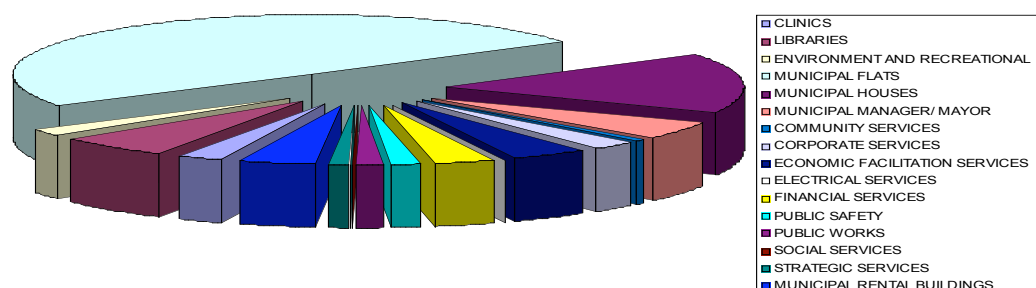
Below is a breakdown of the complaints received. Significant is the large amount of complaints received from rental stock.

Sources where complaints have been received from	Total
Clinics	
Libraries	15
Environment and recreational	4
Municipal flats	248
Municipal houses	85



Sources where complaints has been completed	Totals
CLINICS	8
LIBRARIES	21
ENVIRONMENT AND RECREATIONAL	6
MUNICIPAL FLATS	166
MUNICIPAL HOUSES	54
MUNICIPAL MANAGER/ MAYOR	16
COMMUNITY SERVICES	2
CORPORATE SERVICES	8
ECONOMIC FACILITATION SERVICES	14
ELECTRICAL SERVICES	0

FINANCIAL SERVICES	11
PUBLIC SAFETY	6
PUBLIC WORKS	4
SOCIAL SERVICES	0
STRATEGIC SERVICES	4
MUNICIPAL RENTAL BUILDINGS	14
	334



7. Mechanisms to overcome gaps

- Contract a Quantity Surveyor to draw up a Maintenance Plan,
- Appoint an additional Project Manager,
- Create a department that manages the facilities and assets of the municipality.
- Acquire the additional vehicles to operate effectively

PLANNING

1. Description of the function

The Planning Division has two main functions namely forward planning and land use management. Forward planning is done in a sustainable manner to ensure development opportunities for future generations. The main planning service is provided from the Stellenbosch Office and there is also a part time service at Franschhoek office. In addition to this planning issues are conveyed through the Priel office to the Stellenbosch. On-site visits are handled on request and with the evaluation of planning applications.

2. The Municipality's mandate

The services include the total municipal planning function. Land reform is a Provincial function although implementation at a local level involves the municipality. The protection of agricultural land is regulated in terms of both local and provincial administration. The division has a joint responsibility for environmental management

with provincial government. There is a joint responsibility between all spheres of government to implement the National Heritage Resources Act.

3. Strategic objectives of the function

The promotion of:

- (a) Urban development
- (b) Economic development
- (c) Environmental sustainability
- (d) National and Provincial policy support
- (e) Providing an efficient and cost effective service to the public
- (f) Increase internal capacity and efficiency

4. Key issues

- (a) High turnover of staff
- (b) Inability to attract and retain skilled staff
- (c) Lack of political leadership due to political instability
- (d) Finalising rural-urban planning integration (approach, work methods etc)
- (e) Too much emphasis on land use and no opportunity to grow in other fields of planning

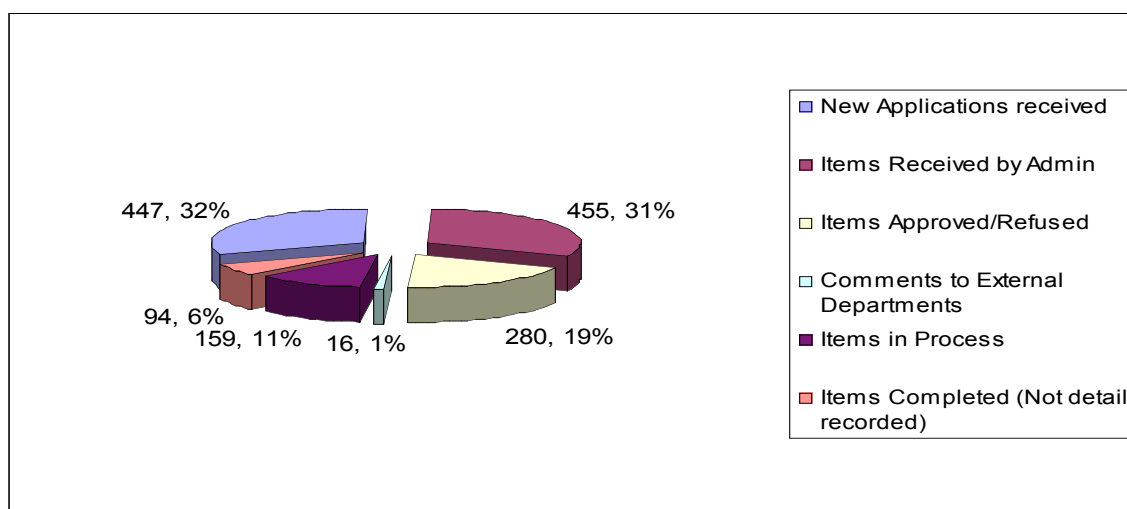
5. Gaps in service delivery

- (a) Staff shortages
- (b) High staff turnover
- (c) Customer relationship management
- (d) Neglecting certain functions due capacity restraints
- (e) Administrative overload does not allow adequate focus on future planning

6. Analysis of the function

Activities	Totals
New Applications received	447
Items Received by Admin	455
Items Approved/Refused	280
Comments to External Departments	16
Items in Process	159
Items Completed (Not detail recorded)	94

A pie chart depicting the total activities according to different functions and the percentage of the total activities for the past financial year.



7. Mechanisms to overcome gaps

- Vacant and new posts must be filled in terms of accepted organogram.
- This will relieve pressure on service delivery constraints and enhance capacity to become an efficient planning division.
- Improvement of work methods and systems through the allocating time and resources.

LOCAL ECONOMIC DEVELOPMENT

1. Description of the function

Creating an enabling environment for sustainable, equitable economic growth by promoting and retain investment, creating procurement opportunities, develop and assist businesses, strengthening community based organisations, building partnerships across all spheres of government and other development delivering agency, sector development, business regulation and the facilitation of income generation and job creation opportunities.

2. The Municipality's mandate

The LED Division has a mandate to be involved in coordinating the process of creating a vibrant sustainable, local economy. In order to create a learning organisation through involving everybody in the pursuit of knowledge, developing new technologies, increasing personal income of especially the poor and to reduce unemployment, the division has to ensure the institutional preparedness of the Municipality to be able to play this key role.

3. Strategic objectives of the function

A multi dimensional, holistic approach is envisaged comprising of:

- Shared economic growth for all economic citizens of the greater Stellenbosch.
- Grow a sustainable and a competitive local economy
- Promote and retain investment in the local economy
- Create an enabling environment for jobs and income generation opportunities

- Building and strengthening partnerships with other government departments and economic development agencies
- Address skew ownership patterns within the local economic
- Networking and build capacity within Non-Governmental Organisations (NGO's), Community Based Organisations (CBO's) and Co-operatives
- Engaging with development funding agencies

(a) Business development

- Encourage the establishment of new enterprises
- Access to finance for SMME's
- Expanding of existing businesses
- Provide business support services
- Facilitate BBBEE
- Facilitate public procurement opportunities for small businesses
- Broad-based economic participation targeting youth, women.

(b) Human resource development

- Identify and develop scarce skills
- Facilitate and co-ordinating skills development
- Address structural unemployment
- Database of area wide available skills

(c) Tourism Development

- Create an environment conducive for tourism
- Identify gaps and opportunities in tourism
- Create income generation and employment opportunities in tourism
- Facilitate transformation in tourism
- Tourism development

4. Key issues

- (a) Lack of office space which impacts on the filling of vacant posts
- (a) An integrated approach to economic development
- (b) Good reliable ,relevant baseline economic data on economic sectors
- (c) Lack of understanding /vision of what economic development should achieve by political leadership
- (d) Completion of the local economic development strategy

5. Gaps in service delivery

- (a) Implementation Capacity
- (b) Lack of monitoring and evaluation systems
- (c) Staff shortage
- (d) Lack of coordination amongst all LED role-players
- (e) Tendency to rely on consultants

6. Analysis of the function

Programmes and projects	Description	Progress
Business Support: Red Door	The Red Door is a one-stop Business Support Centre where SMME's are able to access a single point to seek assistance.	Services to commence in mid February 2007 in the greater Stellenbosch area.
Small Enterprise Development Agency	The Small Enterprise Development Agency is national programme to develop and support businesses and is establishing branches in all district municipalities.	LED Unit attracted the services of SEDA. Services to comment by 1 April 2007
Business Regulation: Business licence processing and issuing	The processing and issuing of business licenses for the Stellenbosch Municipal Area according to the Business Act of 1991. Due to the compliance aspect the department is in the process to investigate the possibility to employ a full-time business regulations officer.	This function as been reallocated to the LED Unit. The business licence process has been improved and a new application form has been developed.
Business Information: Library Business Corners	 Library Business Corners (LBC) was established to create access points for small business practitioners. LBC sources and disseminates relevant business related information to entrepreneurs through public libraries in the Western Cape. Auxiliary activities include training and referrals to business support development services.	 The libraries in Cloeteville, Stellenbosch, Franschhoek, Kayamandi, Idas Valley and Pniel have been identified by the LED Unit to establish Library Business Corners. Librarians have been trained and first batch of books for these corners have been procured
Support to small farmers: Organic Village	The "Organic Village" is based on the functioning of a cooperative with the unique competitive edge to provide fundamental and beneficiation services to its embers as well as to be a producing and manufacturing centre. The members could range from a community garden to commercial farmers in conversion, through land reform beneficiaries and smallholding owners.	The LED Unit has extensively investigate the viability to establish such a village and is currently in discussion with relevant national and provincial departments
Income creating/Job creation: Expanded Public Works Programme	This programme will draw significant numbers of the unemployed into productive work, so that workers gain skills while they work, and increase their capacity to earn an income by designing Labour Intensive activities in projects of the municipality. (MIG funded projects esp. Roads maintenance, Community Access roads development, Stormwater drainage construction, Building maintenance, Housing construction, sanitation construction. Objective: To utilise public sector budgets to reduce and alleviate unemployment	Discussions have commenced with the Provincial Department of Public Works to assist the municipality in the registering and the design of EPWP programmes for the Stellenbosch Municipal Area.
Increased economic and business opportunities: Calls for Proposals	This process included the facilitation to alienate a number of Council-owned properties by way of public tender, with the view of not only creating economic development opportunities, but also to promote economic	Process completed currently in dispute at Council level

development and redress historically imbalances, insofar as it relates to ownership patterns and the promotion of Broad Based Black Economic Empowerment. Other objectives included sustaining and growth of the local economy, thereby creating jobs, fighting unemployment and poverty and also to address high levels of social and economic inequality on local level.

Provide infrastructure to promote community facilities, transport facilities and informal business infrastructure

Bergzicht Taxi Rank

Bergzicht Taxi Rank is mainly used by mini – taxi operators. The increase demand for mini-bus taxis has made the existing facility unsuitable to meet the public transport demand.

The LED Unit has appointed a service provider to conduct the conceptual planning and preliminary design to upgrade above-mentioned taxi rank. Currently the above-mentioned unit is raising funds to start with the upgrading of the facility

Cloetesville MTN Centre

This is a partnership between Stellenbosch Municipality and MTN to establish an ICT Centre to entrepreneurs and communities access to information and communication technologies which are essential to create a knowledge-based economy which plays an important part in the promotion of sustainable development and accelerated growth.

MOA to be signed between aforementioned parties

The Kayamandi Tourist and Economic Corridor

The Kayamandi Tourist and Economic Corridor were identified as one of the priority projects of the Urban Renewal Process within Kayamandi.

The building phase of this phase is near completion. The process to find a suitable entity/company to manage the Corridor on behalf of Council commenced. Process to be completed by May 2007.

7. Mechanisms to overcome gaps

- (a) Attract and retain skilled staff
- (b) Improve skills and awareness of staff
- (c) Increase networks and partnerships
- (d) Clear vision /understanding from Council as to how they view the role of economic development

BUILDING CONTROL

1. Description of the function

- (a) The function renders services to the areas of Franschhoek, Pniel, Stellenbosch town, the greater Stellenbosch area.
- (b) The function deals with administration regarding national building regulations (NBR), approval of building plans, and building inspections.
- (c) Circulate building plans to other directorates, for consideration by the function.
- (d) Attend meetings with contractors and project managers regarding new projects.

- (e) Circulate demolition application for approval. Issue occupation certificates on buildings when completed according to the NBR and Standards.
- (f) The one stop shop handles general enquiries and queries by the public.
- (g) One stop shop is responsible to scrutinize the building plans before submission to check if plans are completed as well as the application forms.
- (h) Assist the public with all enquiries regarding building activities, complaints and illegal building works.

2. The Municipality's mandate

The function gets its mandate from the following institutions and legislative guidelines:

- (a) Council,
- (b) Relevant legislation,
- (c) Zoning scheme regulations, and
- (d) Establishment guidelines.

3. Strategic objectives of the function

- (a) To render efficient, effective and up to date services to the public (applicable to one stop shop).
- (b) Efficient and effective monitoring and control of all building processes to comply with national, regional, local laws and regulations

4. Key issues

- (a) One stop shop is not functioning optimally at present.
- (b) Data basis for building works and administration and planning is not up to date.
- (c) Building control errors: monitoring of building works is not up to standard.
- (d) Building inspection data not kept on record.
- (e) Shortage of staff.

5. Gaps in service delivery

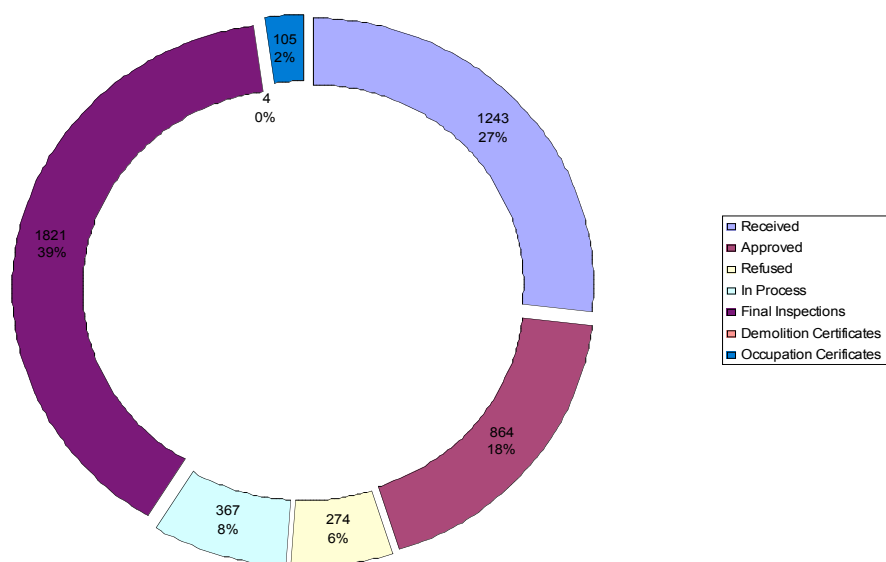
- (a) Enquiries by clients not attend to in a sufficient time period.
- (b) Need to develop culture of zero errors.
- (c) For the one stop shop: the facilities and the set-up need to be more conducive to both the client and the staff.
- (d) Need to create a performance based culture, a culture of service orientation and business orientation.
- (e) Data basis not in place.
- (f) Records of building plans not kept in a safe place and not monitored sufficiently.

6. Analysis of the function

Detail	Totals
Building plans Received	1243
Building plans Approved	864
Building plans Refused	274
Building plans In Process	367

Final Inspections	1821
Demolition Certificates	4
Occupation Certificates	105

Breakdown of activities of the Building control in of functions and the percentages of work completed illustrated in the figure below:



7. Mechanisms to overcome gaps

- Establish an up to date database for building works and administration and planning, to improve service delivery to clients.
- For the one stop shop: bigger, user-friendly service and workspace need to be established.
- In order to address the gap relating to business and performance based culture there is a need establish training programmes and workshops to cultivate this new culture.
- Design and implement protocols to ensure no errors in inspection records.
- Improve reaction time of the IT department to respond to problems concerning all directorates.
- Update data base to accommodate building inspections as well as occupation certificates issued.
- Update safe for building plans.
- Rules and regulations for one stop shop to be laid down to staff members.

ADMINISTRATION

1. Description of the function

This function has a supporting role to play for other sub-directorates in the Planning and Economic Development Directorate. It also collaborates with other directorates e.g. forestry and recreation. The directorate deals with land use planning applications, like rezoning and building lines. Information is gathered for the consideration by council in order to arrive at decisions regarding applications. (Council does not make all decisions regarding building applications). The function is also responsible for the

administration of council decisions. It liaises on a regular basis with municipal offices in Pniel and Franschhoek in order to gather information. Inspections regarding complaints are conducted in these towns. The function is involved in the rendering of a service at the one-stop shop.

2. The Municipality's mandate

The function derives its mandate from relevant legislation (as set out below) as well as decisions made by council. The function reports to the director and to the head of administration.

3. Strategic objectives of the function

- (a) To create a department where all processes run smoothly, progress can be tracked accurately and hitches are immediately identified and rectified.
- (b) To provide effective and efficient services to the public.
- (c) To provide the public with information and to react on their applications in an efficient manner.

4. Key issues

- (a) Top management do not always consult the function before decision-making. Decisions made by top management are not always passed on to the function.
- (b) Progress of tasks is not measurable and cannot be tracked easily – applications are processed and disappear into the system.
- (c) Staff shortages and financial restrictions place pressure on the function.
- (d) Problems in obtaining accurate information slow down the functions response time.
- (e) Inadequate software driven database.
- (f) Procedures prescribed by legislation and by-laws are tedious and cause the workload to pile up, and aggravate the public.

5. Gaps in service delivery

- (a) Database not up to date and contains information gaps.
- (b) Current software is inadequate.
- (c) Need to delegate decision-making responsibility in terms of certain issues.
- (d) A need to improve administration of applications received.
- (e) Inability to track work accurately.
- (f) Difficult to trace information – the non-availability of files regarding applications are problematic.

6. Mechanisms to overcome gaps

- (a) Delegations must be handled more responsibly and in a progressive manner.
- (b) Design methods and adopt best practices from other municipalities to accurately track work in progress for the purposes of clients and staff.
- (c) Design alternative work procedures and methodologies to speed up the administration of applications.
- (d) Employ additional permanent / contract staff to obtain missing and erroneous data.
- (e) Purchase and adapt new software and upgrade current database.

- (f) Personnel should co-operate in keeping the filing card system up to date to facilitate easy tracking of applications or correspondence.

5.3 PUBLIC WORKS

ELECTRICAL ENGINEERING SERVICES

Overview of activities for directorate

Director: Mpoti Machaba	Portfolio Holder: Clr G. Adonis
Client Services <ul style="list-style-type: none"> • Management of resources (personnel, funds, material, plant & equipment) associated with consumer connections and metering. • Operation of call centre • Provision and maintenance of prepayment vending system 	System Operations <ul style="list-style-type: none"> • Management of resources (personnel, funds, material, plant and equipment) associated with the construction and maintenance of the distribution network • Engineering system maintenance (telemetry, GIS and CAD)

Staff Profile: Electrical Engineering Services

Organizational Structure	Total Employed	Total Cost/month	Total Cost/annum
SYSTEM OPERATIONS			
Professionals	3		
Craft and related trades	15		
Operators	3		
Elementary Occupations	35		
Sub Total	56		
CLIENT SERVICES			
Professionals	2		
Craft and related trades	5		
Elementary Occupations	5		
Clerks/Admin	2		
Sub Total	14		
Grand Total	70		
WHOLE DEPARTMENT			
Professionals	5		
Craft and Related Trades	20		
Operators	3		
Elementary Occupations	40		
Clerks/Admin	2		
TOTAL	70		

1. Description of the function

How it is administered

Stellenbosch Municipality buys electricity in bulk from Eskom and is responsible for the distributing thereof within its approved area of supply, under license from the National Electricity Regulator. Electricity is taken from Eskom at three intake substations and redistributed to the end consumer through a series of cables, lines and substations.

The directorate is responsible for:

- The construction and maintenance of the distribution network as well as providing new infrastructure to ensure a reliable and affordable supply of electricity to all.
- The effective management of revenue by ensuring all electricity supplied is billed for and reducing losses in order to cover operating and capital expenses.
- The provision of a reliable and acceptable level of public lighting to improve the safety and living standard of residents.

2. The Municipality's mandate

Stellenbosch Municipality renders electrical services in the towns of Stellenbosch and Franschhoek. Eskom supplies electricity in bulk to both components. Stellenbosch town has two 66 kilovolt supply points and Franschhoek town has one 66 kilovolt supply point.

Eskom supplies electricity to the rural areas outside Stellenbosch and Franschhoek towns with the exception of Johannesdal, Pniel and the Simondium areas, which Drakenstein Municipality supplies. Stellenbosch Municipality is responsible for street lighting in the total Stellenbosch municipal area.

3. Strategic objectives of the function

The strategic objectives for the directorate can be explained as follows:

- a) To become a world-class electricity utility, striving for the social and economic development of the region
- b) To meet customer and stakeholder expectations
- c) To provide the service in an environmentally acceptable manner
- d) To provide sustainable, affordable, reliable and safe electricity supply and public lighting
- e) To constantly provide timeous and efficient customer service
- f) To see that electricity is available to all residents in the region
- g) To establish a customer forum
- h) To ensure that customers understand their "Rights and Responsibilities"
- i) To make the client feel that he/she is the most important visitor to the premises of the municipality

4. Key issues for current financial year

The key issues as pointed out by the directorate include the following:

- a) Financial capacity to maintain operating and maintenance services and provide new infrastructure.
- b) Ageing of tools, plant and equipment.
- c) Possible inclusion into the REDS.

- d) Affordability to replace obsolete vehicles and equipment.
- e) Loss of income due to tampering with meters.
- f) Lack of adequate formal business processes.
- g) Incorporation of "Bosdorp", like Meerlust, etc.

5. Gaps in service delivery

The shortcomings experienced by the directorate, and which need to be addressed immediately and in the short term, can be summarised as follows:

- a) Replacing obsolete vehicles and equipment.
- b) Loss of income due to tampering with meters.

6. Legislation and Policy

The legislation, policy directives and bylaws applicable to the directorate includes:

- (a) Electricity Act (Act 41 of 1987)
- (b) Occupational Health & Safety Act (Act 85 of 1987)
- (c) Code of practice for the wiring of premises SABS 0142
- (d) Engineering profession Act (Act 46 of 2000)

7. Analysis of the function (2005/2006 financial year)

Detail	Total	
	Quantity	Cost
Total quantity and cost of bulk electricity purchases in kilowatt hours and rand, by category of consumer		
b) Breakdown not available	364 383 812	61 515 808
Total quantity and receipts for bulk electricity sales in kilowatt hours and rand, by category of consumer		
• Residential		130 569 653
• Commercial		80 868 106
• Industrial		123 889 318
• Mining		0
• Agriculture		2 162 750
• Other		5 786 458
Total year-to-date electricity losses in kilowatt hours and rand	21 107 526	3 588 280
Households with electricity access – number and cost per service		
• Electrified areas		
▪ Municipal		NA
▪ Eskom		
▪ Drakenstein Municipality	NA	NA
• Alternate energy source	NA	NA
▪ Gas	NA	NA
▪ Paraffin	NA	NA
▪ Solar	NA	NA

Detail	Total	
▪ Wood	NA	NA
• Non electrified	NA	NA
Number and cost of new connections		
Number and cost of disconnections and reconnections	NA	NA
Number and total value of electrification projects planned and current	Number	Value
• Current (financial year after year reported on):		
o Mooiwater	301	2 100 000
o Watergang (Phase 1)	500	4 200 000
• Planned (future years)		
o Watergang(Phase 2)	1500	11 000 000
Note: Total project and project value as per initial or revised budget)		
Anticipated expansion of electricity service: Paradyskloof 66kV substation	Number	Value
Note: Total number of households anticipated to benefit and total additional operating cost per year to the municipality	20 248	15 000 000
Estimated backlog in number (and cost to provide) of electricity connections	1 200	10 000 000
Number of households receiving free basic service provision: -Quantity(number of household affected) -Quantum(value to each household)	NA	3 182 50
Number and total operating cost of streetlights servicing population	7000	396 900
Total bulk kilowatt hours consumed for street lighting	NA	5 786 458
Number of grants and subsidies received per type		
• DME		
Electrification (Apr 06-Mar 07)		800 000 827 225
• MIG		
Vottenburg (Apr 05-Mar 06)		112 000
La Motte (Apr 05-Mar 06)		330 000
Koelenhof (Apr 05-Mar 06)		250 000
Watergang (Apr 05-Mar 06)		900 000
Wemmershoek (Apr 05-Mar 06)		330 000
Ou Helshoogte (Apr 05-Mar 06)		716 800

Detail	Total	
(b) Total operating cost of electricity distribution function		
Salaries & Allowances		R 7 898 100
General Expenses		R 106 774 477
Repairs and Maintenance		R 3 852 663
Capital Expenses		R1 355 038
Gross Total		R119 880 878
Less: Interdepartmental levy		
		- R 3 931 810
(c) Total		Section 1.02
		Section 1.03 R
		115 949 068
Number and total operating cost of streetlights servicing population:		
	7000	R 396 900
<i>Note: total streetlights should be available from municipal inventory</i>		
Total bulk kilowatt hours consumed for street lighting:		
		5 786 458
<i>Note: total number of kilowatt hours consumed by all street lighting for year</i>		

8. Mechanisms to overcome gaps

In order to address and overcome the performance gaps or shortcomings as listed earlier, the directorate is planning to implement and put the following mechanisms into place:

- Expanding leasing of vehicles contract and try to acquire external funding for bigger equipment.
- Audit process to remove all tampered and faulty meters.
- Personnel training.
- Revise existing business processes and implement new ones where needed.
- Investigate possible take-over or service level agreements with other services providers.

CIVIL ENGINEERING & TECHNICAL SERVICES

Overview of activities per division

Executive Director: Mpoti Machaba

Portfolio Holder: Clr G. Adonis

Trading Services	Public Services	Specialised Services
<ul style="list-style-type: none"> Water & Waste Water <ul style="list-style-type: none"> Management of resources (personnel, funds, material, plant and equipment) associated with raw water, water treatment, bulk water, water distribution, and water meters. Scheduled and emergency 	<ul style="list-style-type: none"> Traffic & Transport <ul style="list-style-type: none"> Traffic, transport, cycle, pedestrian, as well as flood hydrology and storm water master planning. Traffic calming. Traffic improvements. Pavement management system. Roads & Stormwater <ul style="list-style-type: none"> Management of resources 	<ul style="list-style-type: none"> Township Development <ul style="list-style-type: none"> Developers, development agreements, bulk services contributions, administration, building plans, town planning applications, council resolutions, engineering standards, as-built and services drawings. Engineering Systems

<p>maintenance, and operation of above infrastructure.</p> <ul style="list-style-type: none"> - Laboratory. • Sanitation <ul style="list-style-type: none"> - Management of resources (personnel, funds, material, plant and equipment) associated with sewage collection (buckets, tankers, connections), sewerage network, pump stations, sewage treatment, sludge handling and composting. - Public Amenities. - Scheduled and emergency maintenance, and operation of above infrastructure. • Cleansing & Fleet Management <ul style="list-style-type: none"> - Management of resources (personnel, funds, material, plant and equipment) associated with refuse collection and disposing, waste sites, transfer stations and street cleansing. - Fleet management (planning, replacement and procurement), maintenance, and overall control of department's plant and vehicles. - Vehicle tracking system. 	<p>(personnel, funds, material, plant and equipment) associated with roads, cycle and pedestrian paths, and stormwater systems.</p> <ul style="list-style-type: none"> - Scheduled and emergency maintenance of above infrastructure. 	<ul style="list-style-type: none"> - Responsible for telemetry system, computer hardware and software, GIS and CAD. - Designing and implementing. - Departmental financial, complaint, information and technical systems. - Control of all other engineering and technical systems. • Project Management <ul style="list-style-type: none"> - Project Management including consultant appointments, project plans, financial control, design process, tenders and procurement, construction, co-ordination of consultants, officials and contractors, contract administration, handing over.
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Staff Profile: Engineering Services

Organisational Structure	Total Employed	Total Cost/month	Total Cost/annum
WATER & SANITATION			
Legislators	1	15.304	183.652
Professionals	4	50.264	603.173
Technicians	3	46.627	559.529
Elementary Occup	115	402.085	4.825.021
Craft and Related Trades	4	45.263	543.150
Operators	14	72.270	867.235
Clerks/Admin	3	20.756	249.074
Sub Total	144	652,569	7,830,834
ADMIN & SYSTEMS			
Legislators	1	28.500	342.000
Professionals	2	31.535	378.425
Clerks/Admin	1	7.353	88.234
Sub Total	4	67,388	808,659
CLEANSING & FLEET MAN			
Legislators	1	21.136	253.629
Professionals	1	17.090	205.082
Technicians	1	13.962	167.549
Elementary Occup	101	376.138	4.513.661
Operators	11	42.600	611.196
Clerks/Admin	2	16.479	197.753
Contract (Govern. Funded Project)	19	0	0
Temp	1	2.394	28.723
Sub Total	137	489,799	5,977,593
DIRECTORS OFFICE			
Clerks/Admin	1	8.253	99.035
Sub Total	1	8,253	99,035
STORMWATER & ROADS			
Legislators	1	24.985	299.821
Professionals	3	34.884	418.613
Technicians	1	14.491	173.894
Elementary Occup	51	184.431	2.333.263
Craft and Related Trades	15	194.439	1.573.694
Operators	11	59.577	714.920
Clerks/Admin	1	6.668	80.011
Temp	10	26.464	317.568
Sub Total	93	545,938	5,911,785
Grand Total	379	1,763,948	20,627,906

WHOLE DEPARTMENT			
Legislators	4	89.925	1.079.103
Professionals	10	133.774	1.605.292
Craft and Related Trades	19	239.701	2.116.844
Technicians	5	75.081	900.972
Service Workers	0	0	0
Operators	36	174.446	2.193.351
Elementary Occupations	267	962.654	11.671.945
Clerks/Admin	8	59.509	714.108
Contract	19	0	0
Temp	11	28.858	346.291
TOTAL	379	1,763,948	20,627,906

Trading Services - Water

1. Description of the function

How it is administered

The Stellenbosch Municipality is responsible for the distribution of potable water within the municipal area. The Water Branch is part of the Trading Services. The personnel consist of a Senior Technician, 2 Superintendents, 5 Assistant Superintendents and ± 91 trained technical artisans and operational staff. It has a depot in Beltana and a sub-depot in Franschhoek. The Chief Engineer, head of the branch, and Senior Technician is in head office.

The Water Section can be divided into 2 sections, namely:

- a. Water Purification and
- b. Distribution network.

The Water purification and Bulk Infrastructure section is divided into two sections namely

- a) Water purification
- b) Bulk Infrastructure

Water Purification

Stellenbosch Municipality (WC024) is partly self-sufficient in providing purified water to its residents. The bulk of the water is purified at the Idas Valley Filtration Plant that comprises of slow sand filters. The capacity of the plant is 340 l/s (29 M³ per day).

Water purchased from the Department of Water Affairs and Forestry (DWAF) through the Theewaterskloof Tunnel Scheme is purified at our Paradyskloof Water Treatment Plant. The capacity of the plant is 120 l/s (10 M³ per day).

Franschhoek that forms part of the WC024 Municipality has a basic purification plant with a capacity of 26 l/s (2,25 M³ per day).

Bulk Infrastructure

The bulk infrastructure consists of 43 reservoirs, 22 pump stations and 14 chlorination stations where purified water is stored before distributed to the users. Water for the town of Stellenbosch is drawn off from the Eerste River in Jonkershoek Valley and is stored in two storage dams with a total capacity of 2375 M³.

In Franschhoek water is drawn off from the Franschhoek Mountain at Perdekloof. The water is purified and distributed via 5 reservoirs.

The following towns in the WC024 Municipality are supplied with potable water that has been treated by another authority. They are Klapmuts, Pniel, Johannesdal and Kylemore. The potable water is acquired from the Cape Metropolitan Council and is drawn off the Wemmershoek main line to Cape Town.

The quality of the water is monitored in terms of a Water Quality Assurance Program and chlorine is added to maintain a high standard of bacteriological quality.

Distribution Network

The distribution network consists of the pipelines, valves, hydrants, water connections and water meters.

Personnel maintain the abovementioned systems. They are assisted in their duties by a telemetry system that conveys information of the network to a central computer.

Broken pipes and problems within the network are reported by the residents and are handled by the complaints desk. The complaints are handed over to the personnel by means of a two-way radio system.

2. The Municipality's mandate

Stellenbosch Municipality is responsible to supply potable water of a required quality (SABS 241) to the residents within its jurisdiction. In terms of Schedule 4B of the Constitution: "Water and Sanitation Services limited to potable water supply systems".

3. Strategic objectives of the function

- (a) The main objective is to supply the residents in Stellenbosch municipal area with a good quality drinking water.
- (b) The service had to be rendered with the least possible interruption e.g. as little as possible pipe breakages. To achieve this goal there is an ongoing process of pipe replacement going on.

4. Key issues for current financial year

- (a) To upgrade and maintain the water purification plants to work uninterrupted and at their design capacity.
- (b) To replace the maximum length of old water pipes with new pipes within the limitations of the budget.
- (c) To integrate the Stellenbosch, Franschhoek and Boland District Council supply systems.
- (d) To progress considerably towards an integrated Water Master Plan for the WC024.
- (e) To start surveying water provision on farms.

5. Gaps in service delivery

The Municipality is in a favourable position regarding the condition of a large part of the water reticulation system. A Water Master Plan for Stellenbosch Town is in place for the past 10 years. This information is used to plan properly the extensions and densification to the existing town.

Basic services are supplied to all informal areas by means of standpipes within 200m. Free basic water is supplied to the registered poor.

The following gaps exist:

- (a) Facts and figures regarding service delivery in the rural areas on, e.g. agricultural zoned property.
- (b) Basic water education.
- (c) The Water Master Plans for the following areas are still outstanding
 - a. Klapmuts
 - b. Franschhoek
 - c. Dwarsriver Valley (Pniel, Johannesburg, Kylemore and Lanquedoc)

6. Legislation and Policy

- (a) Water Act: Act 36 of 1998

- (b) Water Services Act: Act 108 of 1998
- (c) SABS
- (d) Municipal Bylaws

7. Analysis of the function (2005/2006 financial year)

Detail	Total	
Note: Total number calculated on full-time equivalent (FTE) basis, total cost includes total salary package		
Total volume and cost of bulk water purchases: kilolitres and rand: <ul style="list-style-type: none">• Raw water (internal)• Raw water (external)• Treated water	Volume 6 961 000 2 647 843 3 140 277	Cost 2 642 019 2 748 198 3 566 999
Total volume treated: <ul style="list-style-type: none">• External Sources• Internal Sources	Volume 2 647 843 6 961 000	
Volume distributed:	12 749 120	
Bulk treatment loss: (Undeterminable at this stage)	-	
Volume accounted for:	9 163 219	
Distribution loss:	-	
Number of households with water services: type and cost of service: <ul style="list-style-type: none">• Piped water inside dwelling• Piped water inside yard• Piped water on community stand: distance<200m from dwelling• Households without basic service• Receiving water through intermediaries	Total 16 192 380 4 200 0 NA	Cost - - - NA -
Number of new connections: <ul style="list-style-type: none">• 22mm (low cost units excluded)• 25mm and above	Number 87 13	
Number and cost of - <ul style="list-style-type: none">• Disconnections• Reconnections	Number 0 0	Cost

Capital Budget Projects	2003/04	2004/05	2005/06	2006/07
• Backlogs	276 000	2 910 000	2 910 000	2 910 000
• Optimal use of existing infrastructure	2 870 000	3 700 000	3 700 000	3 700 000
• New Infrastructure				
▪ Bulk	540 000	1 500 000	1 500 000	1 500 000
▪ Network		300 000	300 000	300 000

Anticipated expansion of water service	Total	Cost
• Piped water inside dwelling	809	3 465 000
• Piped water inside yard	-	-
• Piped water on community stand: distance<200m from dwelling	400	280 000-
• Households without basic service	-	-
• Receiving water through intermediaries	NA	NA
Total value of grants and subsidies actually received during year recorded over five periods (list each grant or subsidy separately):		
Grant/Subsidy	Apr-Jun 03	Jul-Sep 03
	Oct-Dec 03	Jan-Mar 04
	Apr-Jun 04	

8. Mechanisms to overcome gaps

- (a) Water quality assurance programme to cover whole area.
- (b) Revise by-laws.
- (c) Pro-actively support CAPE WINELANDS DISTRICT MUNICIPALITY in their activities.
- (d) Manager to represent WECLOGO and LG at SALGA.
- (e) Implement WSDP.
- (f) Implement service quality information system.
- (g) Tariff policy to be determined.
- (h) Water education campaign

Trading Services – Sanitation

1. Description of the function

How it is administered

The Stellenbosch Municipality has the responsibility of supplying water borne sewage system, or acceptable alternative, to all residents in the WC024 area. It treats sewage effluent at 7 sewage treatment plants and conveys sewage by means of sewerage networks and tankers to these plants. This service is headed by the Chief: Sanitation, with a personnel component of ± 100 trained and operational staff distributed among the 7 sewage treatment plants, a depot at Beltana and sub-depot at Franschhoek.

2. The Municipality's mandate

The municipality is responsible to deliver a service to all, which is effective, affordable and sustainable within legal and budgetary constraints in terms of Schedule, 4B of the Constitution: "Water and Sanitation Services limited to...and domestic waste water and sewage disposal systems. All Waste Water Treatment Plants, in the WCO24 area, are operated under the specific conditions in the Water Act (Act 36 of 1998, Government Notice No 1191) in accordance with the Permit requirements of Department of water Affairs and Forestry.

3. Strategic objectives of the function

- (a) To provide an effective and acceptable service to all residents within the Municipal boundaries.
- (b) To provide water borne sewerage capacity for urban and rural areas.
- (c) To operate the Wastewater Treatment Plants in such a manner as to prevent pollution of the rivers.
- (d) To timeously provide appropriate capacity in the sewage removal network.
- (e) To provide communication and education for sanitation in informal areas.
- (f) To manage and maintain all equipment and plant associated with the sanitation services.
- (g) Replacement and extensions of existing infrastructures in a sustainable manner.
- (h) Research and development of wastewater services.
- (i) Implementation of a quality management system.
- (j) To provide and maintain communal utilities in the informal areas.
- (k) Upgrade monitoring equipment at all wastewater plants.

4. Key issues for current financial year

- (a) Upgrade of Stellenbosch, Pniel, Klapmuts and Franschhoek wastewater treatment plants.
- (b) Upgrade of the network infrastructure with specific regard to Khaler Street flooding and main sewer outfall.
- (c) To complete the upgrading of the ablution facilities in the rural areas.
- (d) Monitor and report on chemical and bacteriological conditions of all rivers, with special regard to the Plankenbrug, Veldwachters and Eerste Rivers.
- (e) Train operational personnel at all wastewater plants, with special regard to the process control, operation and maintenance.
- (f) To draw up bylaws pertaining to the discharge of effluent from small industries, with special regard to the restaurants and commercial laundries.
- (g) To draw up bylaws pertaining to installation of fat traps at all restaurants and mechanical workshops.
- (h) Train frontline personnel at all call-centres, with special regard to handling of complaints/agencies, etc from the public.

5. Gaps in service delivery

- (a) The lack of services in the informal areas needs urgent attention. The backlog amounts to 4700 units without services or with partial services.
- (b) The current financial constraint does not address the rising cost of maintaining the mechanical and civil works of the sanitation branch. This can be seen by the slow deterioration of the mechanical equipment at all plants. This will in future affect the quality of the effluent produced at these plants.

6. Legislation and Policy

- (a) Water Act (Act 36 of 1998, Government Notice No 1191)
- (b) The Environmental Conservation act (Act 73 of 1989) & National Environmental Management Act.
- (c) Municipal Bylaws
- (d) Permit requirements of D.W.A.F
- (e) Water Services Act
- (f) Occupational Health and Safety Act (Act 108 of 1995 as amended)

7. Analysis of the function (2002/2003 financial year)

Detail	Total	
Number and of cost to employer personnel:	Total 100	Cost -
Total blockages cleared	Total	
• Main line	906	
• Private	1608	
Sewage treated per plant (Megaliter)	Volume	

• Plant 1 (Stellenbosch)	6122				
• Plant 2(Franschhoek)	216				
• Plant 3 (Klapmuts)	148				
• Plant 4 (Pniel)	426				
• Plant 5 (Raithby)	24				
• Plant 6 (Wemmershoek)	63				
• Plant 7 (La Motte)	72				
Number of households with sewerage services: type and cost of service	Total	Cost			
• Flush toilet (connected to sewerage system)	15 750	-			
• Flush toilet (with septic tank) – NOT AVAILABLE (farms only)	-	-			
• Communal toilets-units	40	-			
• Pit latrine with ventilation – WC024 UNKNOWN	-	-			
• Pit latrine without ventilation – WC024 UNKNOWN	-	-			
• Bucket latrine	06	-			
• No toilet provision - NOT AVAILABLE	-	-			
Capital Budget Projects	2002/03	2003/04	2004/05	2005/06	2006/07
• Backlogs		4 120 000	3 720 000	3 370 000	3 370 000
• Optimal use of existing infrastructure		2 850 000	2 850 000	2 850 000	2 850 000
• New Infrastructure+1798209.00 (MIG-Sewer outfall)					
▪ Bulk+600000 (DWA-F-DMP)		1 000 000	1 000 000	1 000 000	1 000 000
▪ Network		300 000	300 000	300 000	300 000
Anticipated expansion of sanitation service: (Number)		2003/04	2004/05	2005/06	2006/07
• Flush toilet		800	800	800	800
• Communal toilets		-	100	100	100
• Pit latrine		-	-	-	-
• Bucket latrine		-	154	70	0
• No toilet provision		4 600	3 800	2 700	1 800
Total value of grants and subsidies actually received during year recorded over five periods (list each grant or subsidy separately):					
Grant/Subsidy	Apr-Jun 03	Jul-Sep 03	Oct-Dec 03	Jan-Mar 04	Apr-Jun 04
MIG		1,79m			
Masibambane		0,6m			

8. Mechanisms to overcome gaps

- Develop water and sanitation education programme
- Use bulk service contributions to fund extensions
- Determine basic sanitation baseline
- Design river water quality programme
- Improve effluent at treatment plants
- Re-organise informal washing and sanitation facilities
- Create effluent and pollution inspector post
- Improve complaints system
- Establish WSA-Sanitation Forum
- Acquire more MIG and Masibambane Funding

Trading Services - Cleansing & Fleet Management

6. Description of the function

How it is administered

Cleansing and Fleet Management is one of the three legs of Trading Services. Cleansing manages an approved waste site, a transfer station, both departmental waste collection and a waste contractor and the cleaning of road reserves and major public places.

Fleet Management is responsible for the overall planning, organising and control of the vehicles of the Engineering and Technical Services Department, at this stage, later to be extended.

The municipal depot is at Beltana. This service is headed by the Chief: Cleansing and Fleet Management with personnel of ± 93 trained and operational staff.

Waste removal is charged to residents separately and covers the cost of the service including free service delivery in informal areas as well as the management of the waste site.

7. The Municipality's mandate

The Municipality operates this function under Schedule 5B of the Constitution: "Cleansing, Refuse Removal, Refuse Dumps and Solid Waste Disposal". The dumping site is operated under the specific conditions in the permit under The Environment Conservation Act 1989 (Act 73 of 1989).

3. Strategic objectives of the function

- (a) To provide a sufficient waste removal service to all residents within the municipal boundaries.
- (b) To keep the municipal road reserves and public places clean and tidy.
- (c) To manage the dumping site in such a manner to prevent any pollution of underground water, air pollution and any groundwater pollution.
- (d) To manage and maintain all departmental vehicles, later to include others.
- (e) To make sure that the health and safety of all personnel and residents are in good condition, from a solid waste perspective.
- (f) To increase recycling in the municipal area.
- (g) To regulate cleansing, refuse and solid waste on municipal level.

4. Key issues for current financial year

- (a) In this financial year the first key issue will be to start rendering a proper refuse collection system in the rural areas.
- (b) The second is to integrate the vehicle system with the SMS vehicle maintenance system.
- (c) Key issues to be addressed in the future are: increased recycling and revised bylaws

5. Gaps in service delivery

- (a) The lack of services in the informal areas needs urgent attention. The backlog amounts to 4700 units without services or with partial services.

- (b) The current financial constraint does not address the rising cost of maintaining this section works branch. This will in future affect the quality of service delivery
- (c) Inadequate vehicles
- (d) Section need to be restructured for better delivery of service

6. Legislation and Policy

- (a) Municipal bylaws relating to the removal of refuse.
- (b) The Environmental Conservation Act (Act 73 of 1989).

7. Analysis of the function (2005/2006 financial year)

Detail	Total	
Number and of cost to employer personnel	Total	Cost
• Legislators	1	253 629
• Professionals	1	205 082
• Technicians	1	167 549
• Elementary Occupations	101	4 513 661
• Operators	11	611 196
• Clerks/ Admin	2	197 753
• Contract (Govern. Funded Project)	19	0
• Temp	1	28 723
<i>Note: Total number calculated on full-time equivalent (FTE) basis, total cost includes total salary package</i>		
Number of households receiving regular refuse removal services: frequency and cost of service	Total	Cost
• Removed by municipality at least once a week	23800	-
• Removed by municipality less often	0	-
• Communal refuse dump used	1	-
• Number of business serviced	1500	-
• Number of farms serviced	NA	-
• No rubbish disposal	NA	-

Refuse disposed: Total and projected tonnage	2003/04	2004/05	2005/06	2006/07
	202 719	229 149	263 984	281 462
	-			

Refuse recycled:	Mass	
• Waste site & Plastic, Paper, Steel, Bricks	565765kg	
Refuse disposal site: capacity and life expectancy	Capacity	Life Exp.
		6-8 months

Public Services - Roads & Stormwater, Traffic and Transport Planning

1. Description of the function

How it is administered

The Stellenbosch Municipality is responsible for the roads (300km paved and 32km gravel) and stormwater reticulation (250km) within the towns and hamlets of the WC024 established municipal area. The Roads and Stormwater Division functions as a division on its own, headed by the Chief Roads and Stormwater, with personnel of ± 75 trained technical, artisans and other operational staff. It has a depot in Beltana; a sub-depot in Franschhoek and the senior officials are in head office.

Section 1.04 *The municipality approved a new section namely Traffic and Transport as part of the macro structure of this division. In this regard a Traffic Engineer was subsequently appointed during December 2005 and started with his duties during this year. The primary functions of this section entail Traffic and Transport planning (including Public Transport), cycle and pedestrian movement as well as traffic calming and improvement projects.*

2. The Municipality's mandate

The Municipality has the mandate from Government to perform all relevant services regarding roads and stormwater in those areas included within the boundaries of the towns and hamlets in the WC024 area in terms of Schedule 4B and 5B, i.e. "Municipal Public Transport; Stormwater Management Systems in built-up areas; Municipal Roads". Apart from various National and Provincial legislation and White and Green Papers this division is also responsible to execute all Council resolutions, policies and delegated powers by council. Roads outside the town areas are still the responsibility of either the Province or the Cape Winelands District Municipality.

3. Strategic objectives of the function

- (a) Providing sufficient capacity for the movement of motorized vehicles.
- (b) Reducing demand for personal travel.
- (c) Providing sufficient capacity for the movement of bicycles.
- (d) Providing sufficient capacity for the movement of pedestrians.
- (e) Provision of public transport and facilities to that effect. (e.g. Taxi Ranks)
- (f) To provide sufficient maintenance capacity to maintain all infrastructure in good operational condition.
- (g) To provide a Stormwater Management System in built-up areas.
- (h) To monitor base flow in rivers and water quality assurance.

4. Key issues for current financial year

For the current financial year the focus will be on reducing backlogs regarding upgrading of roads and stormwater in areas such as Kylemore, Jamestown and Klapmuts. A priority is to focus on various public transport projects including taxi bays, taxi shelters, pedestrian walkways and sidewalks both in urban and rural areas. The ongoing maintenance of existing road and stormwater systems remains the main focus of this division.

5. Gaps in service delivery

The Municipality is in a favourable position regarding the condition of a large part of the road and stormwater infrastructure. A Pavement Management System is in place

for the past 10 years giving reliable information to plan properly all maintenance and reseal as well as rehabilitation projects. Every three years all roads are inspected by a special consultant team and the resultant report form the basis of the management system. Stormwater Master Plans have now been completed for both Stellenbosch and Franschhoek and proper planning to reduce backlogs and constraints is now possible for these areas. Such planning for the smaller towns is still outstanding.

Flood Master Planning for most of the major rivers in our area (urban areas only) have been completed according to national legislation. There are still rivers in the Dwars River Towns and Franschhoek areas, which need to be investigated. All property owners within the 1:50 and 1:100 year floodlines of these rivers, which have already been investigated, were duly notified of the status by post.

The Municipality has a Traffic Calming Policy in operation since 1999 to deal with the many applications of such measures received daily.

- (a) Reducing backlogs regarding the upgrading of roads and stormwater in areas such as Klapmuts, Jamestown and Kylemore. A new focus area is Lanquedoc where major problems are experienced especially during the rain seasons since only gravel roads exists with an inadequate stormwater system. Other areas such as Wemmershoek, La Motte and the informal area of Langrug in Franschhoek also need surfaced roads and stormwater systems.
- (b) Public transport projects such as sidewalks, cycle tracks and taxi bays and shelters (especially in the rural areas) must be addressed. The upgrading of the main taxi ranks in Stellenbosch, Kayamandi, and Franschhoek is in an advanced stage of planning and funding need to be sourced to implement these projects.
- (c) The ongoing maintenance and upgrading of the existing road and stormwater infrastructure remains the main focus of this division. The Pavement Management Strategy should be updated in due course.
- (d) Although a draft Transport Master Plan for Stellenbosch was compiled there is still a lack of an approved Integrated Transport Master Plan and a Traffic Master Plan for the WC024.
- (e) Lack of a reliable public transport system serving the whole community causing ever-extending peak hour traffic.
- (f) Potential floods of certain areas along the Eerste River and Plankenbrug River in the Stellenbosch area.
- (g) Potential flood damage in the Franschhoek area.
- (h) Lack of information in order to compile an asset management register.
- (i) Pollution of rivers such as Plankenbrug through various circumstances-the installation of the 5 litter traps at the stormwater outlets may prove to be instrumental in curbing this major problem.

6. Legislation and Policy

The Municipality has a mandate to operate under the following national and provincial legislations:

- (a) Ordinance on Roads: Ordinance 19 of 1976.
- (b) Road Transportation Act 74 of 1977.
- (c) Urban Transport Act 79 of 1977.
- (d) Occupational Health and Safety Act 85 of 1993.
- (e) Western Cape Road Traffic Act 12 of 1998.
- (f) National Land Transport Transition Act 22 of 2000.

- (g) We have also developed a Traffic Calming Policy, which Council approved in 1999.
- (h) We have a Pavement Management Policy.
- (i) Stellenbosch Municipality Pavement Management Policy

7. Analysis of the function (2005/2006 financial year)

	Base Year	
	2005/2006	2006/2007
Kms and cost of major roads		
• Subsidy roads – kms	26.2	26.2
▪ Capital cost	100 000	3150 000
▪ Maintenance cost	500 000	100 000
• Main Road – kms	29.7	29.7
▪ Maintenance	319 400	346 200
▪ Re-seal	60 000	65 000
Kms and cost of streets		
• Existing tar (km)	214.1	215.1
(cost)	-	-
• New tar (km)	3	1
(cost)	1 488 300	980 000
Other	2005/2006	2006/2007
• Gravel (km)	10	31,4
(maintenance cost)*	223 250	256 280
• Cycle paths (km)	7.2	7.2
(maintenance cost)	12 000	10 250
• Pedestrian Paths (km)	115	117
(maintenance cost)	682 360	734 690

* (as in operating budget)

8. Mechanisms to overcome gaps

- Increase budget for operational and maintenance expenditure.
- Classification of road network and completion of an Integrated Transport and Traffic Master Plan.
- Traffic calming measures in accordance with classification.
- Revise traffic calming policy.
- Increased cycle paths, pedestrian paths and disabled facilities and maintenance thereof.
- Complete risk assessment.
- Introduce feedback management plan.
- Implement risk minimizing programme such as flood prevention measures.
- Appoint a Traffic Engineer and fill all vacant posts.
- Task evaluation to be finalised.
- Survey stormwater assets.
- Source external funding for the implementation of more projects.

Specialised Services

1. Description of the function

How it is administered

The head office of the directorate includes all senior staff, administration, computer systems, township development and project management functions. It acts as the hub of the directorate responsible for planning, budgeting and controlling.

Specialised services supply logistical backup, staff services and support to the director and other divisions, branches and depots.

2. The Municipality's mandate

The directorate, including specialised services, is responsible for the management of the Engineering and Technical Services of the Stellenbosch Council in terms of the Constitution, other relevant legislation, Council policy and delegations, as described in the overview of activities of the directorate. It includes water services, waste, roads and stormwater, traffic and transport planning and project management.

3. Strategic objectives of the function

- (a) Supplying basic engineering services to Stellenbosch.
- (b) Supplying free basic engineering services to the poor.
- (c) Supplying engineering services to a vibrant and growing local economy and community.
- (d) Complying with relevant legislation.
- (e) Facilitating developments.

4. Key issues for current financial year

Revising and/or establishing the following:

- (a) Employment Equity Plan
- (b) Training Plan
- (c) Structure and Staffing
- (d) Multi-year budget
- (e) Bulk contribution policy
- (f) Complaints system
- (g) Administration system
- (h) Facilities and equipment
- (i) Pushing project management

5. Gaps in service delivery

The Section is currently understaffed due to shifting of personnel and vacancies not yet filled. This brings about crisis management regarding the handling and approval of building plans, proposed developments and various other administrative matters. Service delivery is, however, still satisfactory.

The job evaluation process should bring more clarity to where gaps are in the organization.

6. Legislation and Policy

This function coordinates all legislation and policy formulation in the whole directorate.

7. Analysis of the function (2005/2006 financial year)

Supporting function to Directorate

8. Mechanisms to overcome gaps

- (a) Fill vacancies
- (b) Compile a more streamline method for handling building plans and development applications.

- (c) Improve method of handling complaints and queries.
- (d) Execute plan and strategy
- (e) Monitor execution process

HOUSING DELIVERY

[This Unit became part of Public Works as from September 2005]

1. Description of the function

How it is administered

The function of housing service delivery is administered in the following manner:

General housing project administration and project management at the PMU offices, 34 Mark Street, Stellenbosch.

2. The Municipality's mandate

The Municipality of Stellenbosch is mandated, in respect of various pieces of legislation, to effectively, efficiently and appropriately delivers housing to her residents. This mandate is concretised in the gambit of housing service delivery, to established integrated sustainable human settlements

3. Strategic objectives of the function

The strategic objectives of this function are inter alia:

- (a) Providing affordable and adequate housing and security of tenure to the low and middle income groups
- (b) To establish sustainable human settlements in the greater Stellenbosch.
- (c) Establishment of land settlement areas with the view of furnishing informal settlements with proper housing.

4. Key issues for current financial year

The delivery of 459 low cost housing units in:

Mpelazwe	69
Veldsman Houses (Building of toilets)	42
Kayamandi Emergency Housing	390

The installation of bulk and internal services in:
Watergang Phase 1, Kayamandi

213 (installation of services started 1 March 2006-the surplus of 314 erven will be serviced in the new financial year)

Mooiwater Phase 2, Franschhoek

121 (Installation of services started 1 March 2006-the surplus of 180 erven will be serviced in the new financial year)

The delivery of related projects in:

Building of Economic Corridor , Kayamandi	-R6 000 000.00 (70% completed)
Building of ablution facilities Sport ground, Kayamandi	-R2 000 000.00 (100% completed)

5. Gaps in service delivery

A variety of gaps exist in the pursuit of housing service delivery namely:

- (a) Identifying of land for housing (low/medium) purposes especially to foster integration.
- (b) A lack of holistic, integrated and prioritised strategy and action plans to address on and off farm settlements.
- (c) Insufficient communication and co-ordinations between different spheres of government to fast track housing delivery.
- (d) Timely approval procedures on provincial level, ex. Record of Decisions (ROD's) appeals, General Plans.
- (e) Top – up funding from financial institutions not readily accessible.
- (f) National Housing Subsidy Scheme not flexible to accommodate adverse geographical conditions.
- (g) High value and scarcity of land for developmental purposes.
- (h) Legislative Framework not conducive for rapid land release and subsequently developments become time-consuming.
- (i) Misconceptions pertaining to project life cycle.
- (j) Dedicated building inspectors and financial/marketing assistance specifically for low cost and medium cost (affordable) housing projects.
- (k) Developers / Contractors not geared for "pocket development" (economy of scale)
- (l) Rates paid to skilled and semi-skilled labour insufficient to attract them- quality decreases.

6. Legislation and Policy

- (a) Housing Act (107 of 1997)
- (b) Prevention of Illegal Eviction and Unlawful Occupation of Land Act (19 of 1998)
- (c) Rental Housing Act (50 of 1999)
- (d) Western Cape Housing Development Act (6 of 1999)
- (e) Housing Consumer Protection Act (95 of 1998)
- (f) Less Formal Establishment Act (113 of 1991)
- (g) Extension and Security of Tenure Act (62 of 1997)
- (h) Development Facilitation Act (67 of 1995)

7. Analysis of the function (2005/2006 financial year)

DETAILS	TOTAL	
Number and total value of housing projects planned and current:	TOTAL VALUE	
• Current (units build)	459	11 814 356
• Current (Serviced sites)	334	8 185 644
• Current (related projects: Economic Corridor & Sports ground)	2	8 000 000
• Planned (future years)	12 350	678 400 000
<i>Note: Total project and project value as per initial or revised budget</i>		
Estimated backlog in number of (and cost to build) housing:	TOTAL COST	
• House or brick structure	7 400	481 000 000
• Traditional dwelling	0	0
• Flat in a block of flats Included above	1 000	
• Town/cluster/semi-detached group dwelling	2 000	0
• Informal dwelling or shack	1 950	87 750 000
• Room/flat let	0	0

Total value of grants and subsidies actually received during year recorded over five periods (list each grant or subsidy separately):

Grant/ Subsidy	Apr – Jun 05	Jul – Sep 05	Oct – Dec 05	Jan – March 06	Apr – Jun 06
MIG	1 600 000	1 600 000	1 600 000	1 600 000	1 600 000
Housing Subsidy	2 600 000	2 600 000	2 600 000	2 600 000	2 600 000
Capital Budget	1 400 000	1 400 000	1 400 000	1 400 000	1 400 000

8. Mechanisms to overcome gaps

- a) Areas identified through the SDF process should include suitable land for low/medium cost housing development.
- b) Investigate and adopt an integrated rural housing delivery framework.)
- c) Established an intergovernmental housing task team comprising of all applicable disciplines to shorten the decision making process.
- d) Relevant departments in Provincial Government of the Western Cape should give preferential treatment to low cost housing projects. Establish a special division in the respective department to deal only with low cost housing projects.
- e) Co – operative agreements between financial institutions and Municipality be entered into.
- f) Additional funding should be made available to address the unique requirements of different provinces and local authorities.
- g) Identify state and municipal owned land and investigate public private partnerships and joint ventures.
- h) Adopt new provincial legislation or amend current legal framework, specifically to cater for the fast tracking of low cost housing developments.
- i) Budgetary process to coincide with a project life cycle.
- j) Appoint a dedicated building inspector to the PMU
- k) Tender procedure to be adjusted in order to linked pockets.
- l) Contractual agreements between contractor and labour force must be more strictly monitored by Department of Labour

9. Key Performance Areas

- a) Implementation of housing projects with in the norm and standards of the National Housing subsidy scheme.
- b) To plan, design and implement the housing projects according to the breaking new ground policy of sustainable human settlements.
- c) To develop appropriate methodologies strategies to optimise the utilisation of resources with specific reference to land and funding options.
- d) Research and investigate alternative construction methods.
- e) The preparation and submission of housing business plans.
- f) To give execution to the housing delivery and related projects programme.

5.4 SOCIAL DEVELOPMENT SERVICES

COMMUNITY SERVICES

Health Services

1. Description of the function

Primary Health Care Services (PHC)

A comprehensive and integrated Package of essential PHC services is available at all clinics within the Greater Stellenbosch and provides a solid foundation for a single unified health system. The package includes: Child health, and in particular infectious diseases; Sexual transmitted infections (STI's) and AIDS; TB; Reproductive health; Ante-Natal, Family Planning; Mental Health; Chronic diseases (HP, Diabetes, Asthma etc.), injuries, etc.

TB/ HIV/Aids/STI Programme

In terms of the health plan 2010 it is envisaged that an integrated Primary Health Care Service be rendered to all people. One of the components of the Integrated Service, is the TB/HIV/AIDS/STI Programme.

Stellenbosch Municipality implemented all legs of the HIV/AIDS programme, namely Voluntary Counselling and Testing, Preventative Mother-to-Child Transmission Programme, ARV, Home based Care, Nutrition and Post Exposure Prophylaxis.

Stellenbosch district was chosen as a Pilot Sector with respect to the integration of PHC Services and the infection disease clinic, which includes Ante-retro treatment. The integration has taken place in December 2006 and is running fairly smooth.

2. The Municipality's mandate

Primary Health Care Services (PHC)

The Municipality's mandate to provide the above services is in terms of the National Health Act 61, of 2003, which came into effect as from 2 May 2005. The Personal Primary Health Care Services are provided in terms of an agreement concluded between PGWC and Stellenbosch Municipality, in terms of which the municipality provides the services on behalf of PGWC until such a time as the services can be taken over by PGWC. The primary aim of this agreement is to record the parties existing service relationship. The parties further acknowledge the principles of co-operative government set out in the Constitution and affirm, with specific reference to the agreement, their commitment to these principles.

The Provincial Minister of Health, PGWC, has expressed his intention to assume complete responsibility for Personal Primary Health Care (PPHC) as from 1 March 2006. This however has not happened in full yet as most of the staff is on the establishment of the Stellenbosch Municipality has not been transferred to PGWC.

The aim of the provincialization of PPHC of non-metropolitan areas is to integrate all personal primary health care services so that we may deliver a more efficient and high-quality service to our communities.

3. Strategic objectives of the function

The strategic objectives of the function are in line with the health goals and objectives as outlined in the Eight Divisional Priorities for 2005/2008 for District Health of the National Health Department and include the following key performance areas:

- (a) TB Control
- (b) HIV/AIDS Management
- (c) Child Health
- (d) Women's Health
- (e) Community-based Services
- (f) Chronic Disease Management
- (g) District Hospitals
- (h) District Health System

4. Key issues

The key issues for this financial year are to complete all outstanding capital projects (upgrading of the Primary Health Care facilities) in Kayamandi, Klappmuts and Franschhoek. The upgrading of the Kayamandi PHC Clinic is nearing completion and should be completed within this financial year.

An amount of R120 000 was also received from Stellenbosch Gemeente on behalf of Willow Creek Community Church in Chicago, USA for the extension to the west side of the Kayamandi PHC clinic to create more office space and treatment rooms for TB and HIV patients. This project will form part of the Ad-hoc capital project and should also be completed in the current financial year.

5. Gaps in service delivery

The gap between the HIV/AIDS and TB programme that used to run separately has been addressed and integrated into one programme. This will ensure that there is no duplication and that overlaps between different components of PHC are avoided. The Operational Plan makes specific mentioning that there should be an integrated approach to TB and HIV as patients are commonly dually infected.

6. Analysis of the function

Detail	Total	
<i>Note: Total number calculated on full-time equivalent (FTE) basis, total cost includes total salary package</i>		
Number, cost of public, private clinics servicing population:	Total	Cost
<ul style="list-style-type: none"> • Public Clinics (owned by municipality) • Private Clinics (owned by private, fees based) 	9	
Total annual patient head count for service provided by the municipality:	Total	Cost
<ul style="list-style-type: none"> • 65 years and over • between 40 and 64 years • between 15 and 39 years • 14 years and under • Other (Costs per capita) • Municipality head count 	233 052	180
Estimated backlog in number of and costs to build clinics:	Total	Cost
<ul style="list-style-type: none"> • De Novo, Vloottenburg, Koelenhof and Raithby 	4	2 400 000

Total value of grants and subsidies actually received during year recorded over five periods (list each grant or subsidy separately):					
Grant/Subsidy	Apr-Jun 04	Jul-Sep 04	Oct-Dec 04	Jan-Mar 05	Apr-Jun 05
Comprehensive Health Care Services	R626 708	R616 772	R628 520	R634 170	R1 491 700

7. Mechanisms to overcome gaps

- (a) Build in safety nets for people caring for infected/affected people through various options such as family support assistance for children, foster grant, disability grants etc.
- (b) Improving the quality of care - this includes ensuring that facilities, drugs, equipment and health personnel are readily available.
- (c) Raising awareness in communities about the availability of the Home Based Care Services rendered by Stellenbosch Hospice for the terminally ill patients of thus do increase the quality of life of all suffers.

Environment & Recreation Management

1. Description of the function

The division is divided in sections i.e.: Parks, Sports grounds, Urban Forests, Nature areas and Forestry and Workshop. The sections are working in a decentralised manner with offices and stores for their workforce. The division functions in the following geographical manner:

- (a) Parks Central: Beltana
- (b) Parks Dwars River: Franschhoek old store.
- (c) Workshop: Beltana
- (d) Sports Grounds: Van der Stel sports grounds
- (e) Nature areas and Forestry: Jan Marias Nature Reserve
- (f) Urban Forests: Nursery Beltana.

2. The Municipality's mandate

There are no service agreements in place for this Division and it works closely with all stakeholders including environmental and Tourism groupings in order to create a better, cleaner and more sustainable natural environment for all.

3. Strategic objectives of the function

Parks and Playgrounds:

This is the construction and maintenance of parks, playgrounds and rivers.

Sports grounds:

The development, maintenance and preparation of sports grounds.

Environmental Management:

Effective management and maintenance of:

- (a) Plantations
- (b) Water catchments areas
- (c) Proclaimed Nature areas
- (d) Picnic areas
- (e) Rivers
- (f) Cemeteries

Urban forests:

- (a) Management and maintenance of street trees.
- (b) Beautification.

Workshop:

Maintenance and repair of the fleet for the division Environment and Recreation management.

4. Key issues

Parks and Playgrounds

- (a) Shortage of man power and needed finance for line function work.
- (b) No policing of public open spaces and transgressing.
- (c) Ageing equipment.
- (d) Non replacement of scrapped vehicles due to lack of funds.

Sports grounds

- (a) Shortage of infrastructure and manpower.
- (b) Over utilisation of infrastructure.
- (c) Ageing equipment.
- (d) Non replacement of scrapped equipment and vehicles due to lack of funds.

Environmental management

- (a) Ageing equipment.
- (b) No policing of natural areas and transgressing by dumping and vandalism.

Urban Greening

- (a) Drastic shortage of manpower.
- (b) Ageing equipment

Workshop

- (a) Ageing equipment

General

With the new appointments of young staff members in managerial positions the Department's problem with respect to managerial gaps and the break in continuity due to retirements of older staff members has been solved.

5. Gaps in service delivery

- (a) Due to personnel shortages the frequency of mowing, weeding and pruning are expanding all the time with the result that parks and open spaces are not up to standard.
- (b) Outsourcing is a given and must be looked at urgently.
- (c) Improve service in rural area

6. Analysis of the function

Detail	Total	
	Number of facilities	Number of users
Nature and extent of facilities provided:		
• Plantations	6	2000
• Farms	102	102

• Picnic areas	2	12 500
• Proclaimed nature areas	2	3 000
• Parks & playgrounds	263	56 000
• Cemeteries	5	N/A
• Sporting facilities (specify)	11	61 000
• Swimming pool	1	30 000
• Work shop	1	50
• Nursery	1	1 000
Number and cost to employer of all personnel associated with each community services function:	Total	Cost
• Plantations	12	818 008
• Farms	NA	NA
• Picnic areas	2	135 667
• Proclaimed nature areas	3	242 549
• Parks & playgrounds	54	33 833 866
• Cemeteries	15	1 206 089
• Sporting facilities (specify: NA)	25	1 503 230
• Swimming pool	3	352 220
• Workshop	2	192 013
• Nursery	27	1 508 385
<i>Note: total number calculated on full-time equivalent (FTE) basis, total cost includes total salary package</i>		

7. Mechanisms to overcome gaps

- (a) Restructure the Department to accommodate delivery expected, and provide necessary workforce
- (b) Provide proper budget for the expected service to provide all necessary equipment and machinery
- (c) Use of Ward committees for awareness raising on our programmes and procedures
- (d) Develop and implement relevant policies
- (e) Boost the employee's morale by providing all necessary training and wellness programmes to make our employees happy and productive
- (f) Open a complaint's desk with its personnel that can immediately respond and go on site
- (g) Keep the community informed if the target can not be met before they complain
- (h) Address Personnel needs such better and safe working environment, implement performance rewards to keep them motivated and give them realistic goals to work towards
- (i) Develop a close working relationship with our district municipality and other relevant government departments
- (j) Partner with community in relevant projects e.g. composting at the nursery

1. Description of the function

The function of housing service delivery is administered in the following manner:

- (a) General administration and management at Administration Offices, Drukker Avenue, Stellenbosch.
- (b) Mooiwater Offices, Mooiwater, Franschhoek.

2. The Municipality's mandate

The Municipality of Stellenbosch is mandated, in respect of various pieces of legislation, to effectively and professionally administer all the Informal Housing Areas and Rental Units.

3. Strategic objectives of the function

The strategic objectives of this function are inter alia:

- (a) Effective and efficient management, control and maintenance of the formal rental housing units.
- (b) Effective management and control of the informal settlements, with the view of furnishing the informal settlers with proper housing in conjunction with the Project Management Unit (PMU).

4. Key issues

- (a) Manage land settlement
- (b) Public participation process at municipal rental units (consumer education)
- (c) Social Survey: Informal areas
- (d) Integration: purification of the waiting list / data capturing

5. Gaps in service delivery

- a. Lack of an Integrated Housing Policy that would incorporate land invasions, allocations, emergencies, evictions, private public partnerships etc.
- b. Cumbersome bureaucratic practices regarding narrow interpretation of legislation, especially at provincial level, which translate into tedious and time-wasting practices based on the colonial hierarchical model of supremacy regarding decision-making.
- c. Increase number of rental units provided especially on lower socio economic levels.
- d. Insufficient communication and co-ordination between role players within Council.
- e. Insufficient funds to provide security services for vulnerable tenants.
- f. The inadequacy of diminishing the current low and middle income housing backlog because of limited financial, material, intellectual and human resources.
- g. Lack of well located land for the building of houses close to the CBD.
- h. Poor quality of construction and workmanship of houses.
- i. Fragmentation of housing service delivery.
- j. Inadequate training and development of personnel to be equipped for multi-tasking.
- k. Uncooperative and unruly tenants with a blatant disregard for the law and their agreement with the municipality.
- l. Lip service being paid to the Preamble of the Municipality's Mission statement.

6. Analysis of the function

Detail	Total
Total number of Municipal owned rental units	607
Estimated informal dwellings / shacks:	
• Kayamandi	2781
• Franschhoek	3042
• Klapmuts	1021
• Cloeteville & Idas Valley	995
• Kylemore & Johannesdal	125
• Raithby	0

7. Mechanisms to overcome gaps

A multi-pronged strategic approach has been developed and the implementation thereof has already begun. This strategic multi-pronged approach demonstrates 5 key outputs to be achieved as soon as possible.

1. Key personnel employment strategy

During the course of the 2005/2006 financial year several key positions were filled with well qualified and experienced personnel.

2. Intended Capacity building through training and development

- 2.1 Housing personnel were continually trained and developed to enhance their competencies because technological mobility has changed the housing environment substantially.
- 2.2 In order to achieve the above, competency studies were conducted among the personnel to determine training in and enhancement of skills in administrative, developmental and foundational matters relative to their jobs.
- 2.3 Enable personnel to interpret and conceptualize their role and function in the operational, administrative, interpersonal, leadership and conceptual disciplines of the municipality in relation to their own outputs.
- 2.4 Ensuring that the personnel understands and subscribes to the concept that 'Service Excellence' will always serve as the basis for service delivery.
- 2.5 Providing education programs aimed at the customers to demystify concepts like 'rights, contractual obligations, accountability and responsibilities' to prevent flagrant defaults by them.
- 2.6 Making housing-education a prerequisite in housing delivery, by empowering the beneficiaries with housing related information and knowledge.
- 2.7 A well trained and developed staff who can meet the challenges of their rapidly changing work environment and still deliver 'service excellence'.

3. Proposing an inter-departmental and political collaboration and synergy strategy

- 3.1 Synergy of understanding by council, the directorate and the department that we serve the same master, to wit, the community and that the number one priority of the IDP is housing delivery.
- 3.2 Develop an integrated housing policy with practical implementation strategies that is supported by the relevant municipal departments, CBO's, NGO's, PGWC and broader community.
- 3.3 Capital and operational budgets should reflect the commitment to address the housing rental need as directed by the IDP.
- 3.4 Public participation (consumer education) at rental units.
- 3.5 Synergizing inter-departmental collaboration regarding housing projects to negate the potentiality of fragmented service delivery.

- 3.6 Encourage the efficient use of land by way of public interactive and participatory meetings amongst councilors, official and community in order that a greater sense of transparency and inclusivity is achieved.
 - 3.7 Recognition that we are closest to the housing beneficiaries than most other departments, and that we have critical knowledge of what the desires, wants and needs of the beneficiaries are.
 - 3.8 Autonomy to procure all relevant resources within the constraints of an appropriately sufficient budget for the Section: Housing Administration.
 - 3.9 Inclusivity in planning, design and decision-making instead of being servile implementers.
4. Writing an integrated and comprehensive Housing Policy

All housing administration related policies, procedures and processes shall be in place by no later than the latter half of 2007.
 5. Subscribing to "Service Excellence"

Creating, fostering and maintaining a sense and environment of civic identity and pride between existing and new beneficiaries and the housing personnel.

Library Services

1. Description of the function

The senior Administrative Officer is responsible for co-ordinating the library activities and report to the Director: Community Services. The collaboration with the Provincial Government of the Western Cape (PGWC) in rendering services leads to the ongoing network process between the two entities. There are six libraries rendering services to the Greater Area of Stellenbosch namely: Plein Street, Kayamandi, Pniel, Cloetesville, Idas Valley and Franschhoek Libraries. Each library has a Senior Librarian responsible with the day to day running and management of the library.

2. The Municipality's mandate

- (a) To ensure the continued rendering of services of public library, subjected to the terms and conditions set out in the agreement by PAWC Library Services.
- (b) The Municipality is obligated in terms of the agreement to render services for library with regard to premises and maintenance at own cost, to ensure availability of staff to run and manage libraries. The Provincial function is to provide library material equipment on loan, provide guidance in respect to the establishment and management of registered libraries although implementation at a local level involves municipality.
- (c) Marketing of library services to involve the communities in activities.
- (d) Educational, cultural and recreational programs presented by the libraries to their own communities e.g. holiday programmes for the young, adults, juveniles or adults, career expo's, hand on training and additional skills, etc.
- (e) Service to old age homes (±11) and housebound patrons which involves taking lending material to old aged, housebound persons and handicapped.
- (f) Information provision for formal and non formal education.
- (g) Extension activities: Adult programs, holiday programs and outreach services e.g. "creating a business corner "to assist entrepreneurs in their small business.
- (h) Promotion of a culture of reading and learning: marketing and displaying of reading material on a continuous basis.

3. Strategic objectives of the function

- (a) To render a service to client by providing information infrastructure and access to information to all communities in the greater Stellenbosch by receiving books and audio visual material from WCPLS.
- (b) The librarian proactively involved in collection development and filling stock gaps when necessary e.g. Medical collection insufficient.
- (c) Fundraising programmes to be initiated for additional income and Community Library Committees to be established (CLC) to assist and play an active role in the development strategy of the libraries.

4. Key issues

- (a) To look at the possibilities of employing a fulltime Manager for the libraries to ensure effective monitoring and evaluation of service delivery.
- (b) To liaise with WCPLS to look at the possibilities of establishing new libraries in areas such as Groendal, Jamestown, Klapmuts, etc.

5. Gaps in service delivery

- (a) A need for greater community participation, by establishing more project & Library Community Committees.
- (b) To ensure that WCPLS fulfil its role of providing training & skills development i.e. by means of forums, seminars and conferences etc.
- (c) There is a lack of cooperation with schools i.e. in terms of supporting library the programmes organised for them.
- (d) New libraries in areas such as Groendal, Klapmuts, Jamestown, etc.
- (e) Allocation of more funds in order to improve service delivery and also encourage PGWC to contribute towards the operating budget.
- (f) To upgrade the standard of library computers which have a great impact in the slow delivery process.

6. Analysis of the function

Detail	Total	
	Number of users	Number of books
Library facilities provided:		
• <i>Plein Street</i>	9 808	234 912
• <i>Idas Valley</i>	2 241	42 558
• <i>Cloetesville</i>	2 772	51 980
• <i>Kayamandi</i>	1 380	5 131
• <i>Pniel</i>	633	27 748
• <i>Franschhoek</i>	1 742	74 711

7. Mechanisms to overcome gaps

- (a) Upgrading existing computers to ensure effective service delivery.
- (b) Fundraising efforts need to be improved to ensure availability of funds or more projects & programmes.

PUBLIC SAFETY

Traffic Services

1. Description of the function

The function is focussed at delivering the following range of services:

- (a) Traffic administration
 - Court section - Processing and capturing of all traffic fines
 - Vehicle registration and licensing - The Municipality of Stellenbosch is an agent for the Western Cape Provincial Administration. All applications for renewal of motor vehicle licenses and registration of new and used vehicles are registered at the office.
 - Motor Vehicle Testing Centre – Grade A Testing Centre that means all different types of Motor Vehicles can be tested at our station for roadworthy purposes. Within the above period there was an increase of 5% on motor vehicle licenses
 - Drivers licences
 - Administrative and technical support
 - Administer all sections in the Department to ensure a smooth overall management and service delivery, and maintain road markings and traffic signs
- (b) Traffic law enforcement
 - Accident bureau
 - Traffic control
 - Public transport management

2. The Municipality's mandate

There is a service agreement with the Provincial Government Western Cape to deliver this service in adhering to the National Road Traffic Act 93/1996 and Council policies.

3. Strategic objectives of the function

The strategic objectives of the function include the following:

- (a) To improve the reduction of road fatalities by at least 2% in comparison with the previous year
- (b) To improve visible policing in order to reduce accidents
- (c) To improve community participation
- (d) To identify and implement road safety projects
- (e) To compile a Master Plan for traffic, emphasising an efficient public transport system
- (f) To provide motorists with a by-pass to reduce congestion in the Stellenbosch CBD.

4. Key issues

- (a) Lack of visible traffic policing.
- (b) The backlog for drivers licenses appointments.
- (c) Accident rate too high.
- (d) Inadequate Traffic Law Enforcement in certain areas.

5. Gaps in service delivery

- (a) Training of personnel
- (b) Shortage of patrol vehicles

6. Analysis of the function

Detail	Total	
Total number of call-outs attended	Total	
• Emergency call-outs	±2356	
• Standard call-outs	±6570	
<i>Note: Total number registered, based on call classification at municipality</i>		
Average response time to call-outs	Time	
• Emergency call-outs (inside Stellenbosch)	5 min	
(outside Stellenbosch)	9 min	
• Standard call-outs (inside Stellenbosch)	8 min	
(outside Stellenbosch)	17 min	
<i>Note: Average = by dividing total response time by number of call-outs</i>		
Total number of targeted violations e.g. traffic offences		
<i>Note: Details, including the number and type of offences recorded not available at this time</i>		
Total number and type of emergencies leading to loss of life or disaster	25	

7. Mechanisms to overcome gaps

- (a) Deploy Traffic Law-Enforcement personnel on a Road safety Program.
- (b) Utilize Law Enforcement Officers for visible policing.
- (c) Enter into a service level agreement with The Western Cape Provincial Traffic Department to assist in Drivers Test.
- (d) Get commitment from all personnel to understand the Batho Pele Principles of services delivery and adopt these.
- (e) The appointment of traffic reservists.

Shared Services

1. Description of the function

(a) Emergency Management

Disaster Management

Disaster Management can be described as a collective term encompassing all aspects of planning and responding to disasters in a well co-ordinated manner. These activities include: prevention; mitigation; preparedness; response; recovery and rehabilitation and furthermore, ensures that it is linked to suitable development. It also cuts horizontally and vertically through all activities of all-municipal directorates or departments and at all levels of government, the private sector and communities.

Occupational Health & Safety

To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work.

Ensure that Stellenbosch Municipality provides and maintain as far as is reasonably practicable, a working environment that is safe and without risks to the health of employees or other.

Municipal halls services

Formulation of policy for council approval pertaining to the utilisation of municipal halls in Greater Stellenbosch as well as management of the service.

(b) Municipal wide client service centre and council wide telecommunications systems for all directorates

Ensure that the CSC can receive complaints from the general public especially after hours and that complaints received from the general public are dealt with as soon as possible and where necessary through follow-up with the relevant directorate as may be required.

Management and formulation of policy in the deployment and use of two-way radios and telephone systems utilised in Stellenbosch Municipality.

Provide digital radio trunking, two-way radio and telephone systems.

(c) Monitoring crime hot-spots

Management and formulation of policy in the deployment and use of CCTV systems in Greater Stellenbosch towards the diminishment and elimination of crime as it may occur at hot spots.

Monitoring CCTV and intrusion detection deployments upon municipal property.

Management and formulation of policy in the deployment and use of CCTV, cameras, intrusion detection equipment utilised in Stellenbosch Municipality, which includes the resources, required to affect an efficient monitoring service.

(d) Safety and Security

Enforcement of by-laws and regulations

Compliance with Municipal by-laws and regulations, and enforcement against those who do not comply is a very important component in the development of a culture against lawlessness and rectification of problems that have occurred.

Municipal policing

Law enforcement officials are peace officers in terms of the Criminal Procedures Act No 51 of 1977 with certain powers of arrest and specific empowerment for assisting in the rendering of a policing service as are reflected in column 3 sub-section (xiii) of Government Notice R209 Part 5 of the schedule dated, 19 February 2002.

Police informal trading

Uncontrolled street trading, illegal dumping and illegal occupation of land and buildings play a major role in the deterioration of towns and the growth of a culture of lawlessness. It is therefore essential that municipal by-laws and regulations be systematically and effectively enforced. Multi-tasking of officials is as essential for the optimum and affordable use of personnel in the local government context, given the very broad responsibility and functions required for municipal law enforcement compliance services.

Security services (VIP protection and protecting Council property, personnel and buildings)

There should be little doubt that the comprehensive assets of Council require protecting. Our municipal security man has evolved into a well-trained, multi-tasked employee who provides;

- A secure environment for Council operations – meetings, cash taking protection of staff, protection of councillors as well as the general public upon municipal property.
- Manage 24-hour control centre – ensuring operation of two-way radios, PABX, CCTV, security systems, etc.
- Rapid response to municipal alarms, CCTV and related violations.
- Theft investigation.
- Protection of employees during municipal issues of land invasion reclaiming.
- Protection of cash in-transit.
- VIP protection as required at official functions of the Mayor, etc.

(e) Co-ordinate informal trading in Greater Stellenbosch (policy formulation and management)

Management and formulation of policy in the matters of informal trading in Greater Stellenbosch and in line with the Business Act No. 71 of 1991

2. The Municipality's mandate

The Municipality is mandated by a number of Acts, Regulations, By-laws and policies to fulfil this function.

3. Strategic objectives of the function

- (a) To compile for Greater Stellenbosch, a comprehensive, effective and efficient Disaster Management Plan.
- (b) To ensure the safety and security of municipal buildings, municipal property and the people thereupon.
- (c) To establish uniformity of and ensure compliance of the bylaws in Greater Stellenbosch.

- (d) To ensure the protection of Greater Stellenbosch through an efficient, effective, motivated and well resourced By-law enforcement and policing service.
- (e) To establish effective & efficient by-law enforcement in the Greater Stellenbosch area.
- (f) To compile a Safety & Security Plan.
- (g) To achieve an integrated digital radio trunking system and a telephone system for the Municipality in Greater Stellenbosch which is effective and efficient.
- (h) To establish a client service centre (CSC) for Stellenbosch Municipality.
- (i) To provide for the health and safety of staff at work.
- (j) To ensure effective and efficient management of municipal halls in Greater Stellenbosch to the benefit of the Municipality and the general public.

4. Key issues

DISASTER MANAGEMENT

- (a) Disaster Management Plan for Greater Stellenbosch.
- (b) Lack of community awareness pertaining disaster management.
- (c) Establishment of volunteer unit.
- (d) Lack of disaster management survival equipment.

OCCUPATIONAL HEALTH AND SAFETY

- (a) Restructuring of occupational health & safety structures.
- (b) Regulate statutory safety committee meetings per directorate.
- (c) Unhealthy line management attitude towards occupational health and safety in the organization.

LAW ENFORCEMENT

- (a) Increase visibility of law enforcement officers in all areas.
- (b) Regulate and police informal trading.
- (c) Regulate and police homeless and vagrants.
- (d) Policing of by laws and National Acts to create a safer environment in Greater Stellenbosch; The National Building Regulations and Building Standards Act, 1977 (Act 103 of 1977); The Town Planning and Townships Ordinance, 1986 (Ordinance 15 of 1986); The Land Use Planning Ordinance, 1985 (Ordinance 15 of 1985) (Cape); Section 154(1)(b)-(d) and 154(1)(f) of the Liquor Act, 1989 (Act 27 of 1989); Schedule 1 to the Criminal Procedure Act, 1977.
- (e) Shortage of vehicles.

5. Gaps in service delivery

- (a) Limited funding.
- (b) Non-uniformity of technologies/systems utilised by various disciplines *i.e.* SAPS, Municipality, and Neighbourhood Watches.
- (c) Not being aware of incidents as it occurs - CCTV camera deployments required towards early warnings and rapid reaction.
- (d) There is a need for increased levels of co-operation.
- (e) Standardised by-laws of the various administrations absorbed into Greater Stellenbosch.

6. Mechanisms to overcome gaps

DISASTER MANAGEMENT

- a) Workshop draft Disaster Management Plan with all Councillors and top management.
- b) Appoint consultant to draft Contingency Plans.
- c) Communicate through Council Newsletter and fliers to the community.
- d) Make community aware of the hazards that they are exposed to in public meetings.
- e) Educate the community how to support and assist each other in disaster situations.
- f) Recruit through the ward committee structures volunteers to form a volunteer unit.
- g) Budget to have volunteers trained.
- h) Budget to get the volunteers fully equipped

OCCUPATIONAL HEALTH AND SAFETY

- a) Comply with all the legal appointments in terms of the Act.
- b) Review current health and safety representatives as well as first aiders.
- c) Structure safety meetings on a directorate basis in order to address specific issues
- d) Launch a general health and safety awareness program throughout the organization.
- e) An induction program for all senior management takes place.
- f) That a safety oversight committee made up from senior management be established.

LAW ENFORCEMENT

- a) More patrols per foot and vehicle in the CBD and the residential areas.
- b) Policing of informal trading in the previously disadvantaged residential areas.
- c) Identify more space in the CBD where informal trading can take place.
- d) Identify and enter into joint ventures with established organizations to address street children and the homeless.
- e) Identify a facility to house and rehabilitate vagrants.
- f) Appoint more specialist law enforcement officers.
- g) Appoint law enforcement officers on a contract basis during the high season.
- h) Lease or purchase new vehicles to enhance service delivery.
- i) Joint operations with other law enforcement disciplines.

Fire & Rescue Services

1. Description of the function

The fire and rescue services division forms part of the Directorate: Public Safety and is incorporated, along with the other divisions incorporated within this directorate is an integral part of the emergency services to do with ensuring the safety of the citizens in accordance with the Constitution of South Africa.

The services offered by this function of the directorate include the following:

- (a) Fire suppression
- (b) Fire Safety
- (c) Communication
- (d) Testing and maintenance of equipment and vehicles
- (e) Training

2. The Municipality's mandate

These services extend to include Fire and Rescue Services, but do not take account of Fire and Rescue Services that resides within the jurisdiction of national or provincial government, or other private sector institutions.

- (a) According to the Fire Brigade Services Act, Act 99 of 1987, the service has the mandate to deliver the following:
 - Preventing the outbreak or spread of a fire;
 - Fighting or extinguishing a fire;
 - The protection of life or property against a fire or other threatening danger;
 - The rescue of life or property from a fire or other danger;
 - Subject to the provisions of the Health Act, 1977 (Act 63 of 1977) Act since replaced the rendering of an ambulance service as an integral part of the fire brigade service; and
 - The performance of any other function connected with any of the matters referred to above.
- (b) Local Government: Municipal Structures Act 117 of 1998.

3. Strategic objectives of the function

- (a) To improve the quality of fire inspections.
- (b) To strive towards adequate levels of staff competencies.
- (c) To strive towards adequate/ sufficient equipment and facilities.
- (d) Develop fire safety program for the Greater Stellenbosch area.

4. Key issues

The following priority issues have been identified: These issues affect the community of the Greater Stellenbosch (WC024) negatively as the fire department does not provide the same service to all the different areas in Stellenbosch.

- (a) Poor response times to outlying areas
- (b) Sustainable community participation with the different ward committees
- (c) Inadequate manpower
- (d) Specialized training for the fire services is expensive and few training centres offer these courses
- (e) Inadequate number of voluntary workers
- (f) Municipal by-laws

5. Gaps in service delivery

- (a) A need for greater community participation.
- (b) A need for an increase in the number of voluntary workers.

- (c) A need for by-laws regulating gaps in current legislature for the regulation of e.g. fireworks, spray booths, handling and storage of flammable, hazardous and toxic products at any premises and the appointment of relevant personnel for the enforcement of these by-laws.
- (d) Limited funding.

6. Mechanisms to overcome gaps

- (a) Poor response times to outlying areas

The creation of satellite fire stations throughout the Greater Stellenbosch in order to provide an effective service to all the occupants of Stellenbosch. More fire stations are required to improve the response times to incidents. Apart from the building of fire stations, additional manpower and equipment is needed to operate these additional stations. A fire station in Franschhoek is currently being planned and the first phase should be finalized in the 2005/2006 budget. This would drastically improve the response times in the Franschhoek area.

- (b) Sustainable community participation with the different ward committees.

Community participation should be started with the different ward committees and should be sustained. Participation should also be started with NGO's and other relevant stakeholders in the communities to improve communication with the fire services. This could be addressed by public awareness programs and also conducting special training courses for persons living in all the informal areas of the Greater Stellenbosch. Courses were started in 2004 and are currently being budgeted for on an annual basis.

- (c) Inadequate manpower

At least 12 members are required to render the service at the proposed fire station in Franschhoek (La Motte). These personnel should be accommodated in the next financial year.

- (d) Specialized training for the fire services is expensive and few training centres offer these courses

This is still the case but the department has negotiated with the Section Human Resources on how to overcome the financial aspect of the courses. Training venues are being addressed at Provincial level by the Provincial Fire Chiefs Working committee.

- (e) Inadequate number of voluntary workers

This has been addressed in part by starting a volunteer program where an extra 3 persons per shift are added. These volunteers receive an honorarium of R 1000, 00 per month. A program that has also been started is the Seasonal workers that operate for six months during the peak fire season from December to May. The seasonal fire fighters are appointed from the various communities in the informal areas. At present there are 11 volunteers and it should be improved to about 20 volunteers.

- (f) Municipal by-laws

This would be addressed by the Cape Winelands District Municipality under their co-ordination and standardization function.

5.5 SUPPORT SERVICES

CORPORATE SERVICES

Human Resource Management

1. Description of the function

The Human Resource Management Section supplies a support function regarding human resources to all directorates and staff of the whole municipality and thereby contributing to the smooth operations of all the directorates as well as the executive political leadership.

2. The Municipality's mandate

Through capacitating its staff and directorates, the Corporate Services affects its mandate of supporting and developing the Municipality and thereby transforming it into an effective developmental organisation. The macro organisational structure that deals with the political and top management aspects of the amalgamation of Stellenbosch, Franschhoek, Pniel and the Winelands Rural Area into one Stellenbosch Municipality has been finalised and approved by the Stellenbosch Municipal Council. The micro- organisational structure which deals with the internal staffing and management aspects of the new amalgamated municipality was approved by the Municipal Manager in consultation with top management and the local unions (IMATU and SAMWU) with effect from March 2003.

The ensuing placement process has also been completed. These placements have been made in terms of guidelines contained in a collective agreement drawn up by the unions (IMATU and SAMWU) and the South African Local Government Association. The collective agreement stipulates that within one year of placements, the Job Evaluation Committee of the Bargaining Council will evaluate all the posts in accordance with the national job evaluation system (TASK). The Municipality is in the finalising stages of job description compiling.

3. Strategic objectives of the function

- (a) A skilled work force through effective training and selection
- (b) An informed workforce through sound labour relation practices
- (c) Sound Human Resource Administration.
- (d) Sound organisational structure through a well balanced and –administrative process of job description and evaluation

Through training the Stellenbosch Municipality wants to create a proud, confident and service driven work force for which the main aim will be to serve the public, their employer and most of all their community.

4. Gaps in service delivery

- (a) Dedicated, functional Human Resources Management System to deal with issues such as leave applications, disciplinary actions (administration), salary administration, etc.
- (b) Management of Personnel files (centralised and decentralised).

- (c) Dedicated structures responsible for Labour Relations; Recruitment and Selection; Skills Development and Administration.
- (d) Strategic skills development – and training plan.
- (e) Policy: Bursaries.
- (f) Performance Management System for organisation as a whole.
- (g) Manuals.
- (h) Job evaluation and job description for all posts.

5. Mechanisms to overcome gaps

- (a) Implement a dedicated, functional HRMS to deal with issues such as the electronic management of leave administration; -personal files; etc., in order not only to improve the management thereof, but to provide management with information in a quick and sufficient way.
- (b) Appoint a dedicated person to manage (hard copies and electronically) personnel files, both centralized (at Human Resources Office) and decentralized (Departmental Offices)
- (c) Restructure Human Resources Section to provide for four dedicated Sections; i.e. Labour Relations (function was shared with Legal Services); Recruitment and Selection; Skills development and Training and Administration.
- (d) Develop a strategic plan, with the inputs from Management; individual departments; unions and taking into account the skills audit recently completed, to ensure that skills development and training is focused and pro-active on strategic issues, such as:
 - 1) Improvement of computer literacy and IT skills in general;
 - 2) Basic skills such as reading and writing;
 - 3) Technical training;
 - 4) Change Management training;
 - 5) Middle-Management training, etc.
- (e) Develop a new policy on the optimal use of bursaries in an effort to solve problems raised in the Skills plan; Employment Equity Plan and Master Systems Plan.
- (f) Develop a Performance Management System for the organization as a whole, including budgetary allocations for the implementation thereof.
- (g) Develop manuals for the various processes not only to be used as training material, but to ensure uniformity.
- (h) Finalize TASK-process as a matter of urgency; if needed, appoint a dedicated person on a contract basis to drive this process.

Legal Services

1. Description of the function

The Legal Officer reports directly to the Director of Corporate Services but also provides comprehensive legal support to all directorates.

2. The Municipality's mandate

The legal officer must advise the Municipality, and must take the necessary steps to ensure that the Municipality complies with legislation in general.

3. Strategic objectives of the function

- (a) To advise Council on compliance with legislation.
- (b) Advise on legal matters.
- (c) Advise on contracts.
- (d) To develop research capabilities in order to provide more updated legal information and options.

4. Gaps in service delivery

- (a) Support for the development of by-laws
- (b) Contract Administration
- (c) Labour Relations
- (d) Access to updated legislation
- (e) Compliance with legislation/policy

5. Mechanisms to overcome gaps

- (a) Appoint a dedicated person on a contract basis to co-ordinate and give legal advice on the consolidation of "old" by-laws and the development of new-generation by-laws and policies.
- (b) Create a new, dedicated position (post), either in the Legal Services Section or in the Land Management Section, to manage the implementation of contracts (contract administration).
- (c) Create a new, dedicated position (post) in Human Resources Section to deal with all labour relations related issues (currently performed by Legal Services)
- (d) Do away with service which updates hard copies of legislation, including government and provincial gazettes. Assign to an on-line service, whereby the organisation as a whole would have access to updated versions of legislation/policies.
- (e) Identify compliance as a dedicated function, either by way of a new position, or as a KPI of Legal Services. The "compliance officer" should be in a position not only to monitor legal compliance, but also policy compliance.

Documents & Land Management

1. Description of the function

The offices where this function is administered include Stellenbosch, Pniel and Franschoek. The function delivers administrative support services including obtaining professional and legal advice relating to custodial facilities and land.

2. The Municipality's mandate

The function receives its mandate from legislation (as listed below) and from decisions and delegations derived from Council meetings. The function reports to the director of Corporate Services and to the Provincial Government Western Cape.

3. Strategic objectives of the function

- (a) To develop an effective and efficient Electronic Record and Workflow System.
- (b) To improve the over-all management of fixed property.
- (c) To consolidate (electronically) existing by- laws and policy codes.
- (d) To improve the overall municipal land management through finalising a land management policy.

4. Key issues

- (a) Buy-in from management to implement the proposed record management system is still lacking.
- (b) Long and tedious processes regarding the implementation of the proposed work flow and record management system.
- (c) Political buy-in of economic principle underlining the management of fixed assets.
- (d) Lack of buy-in from other departments with regard to the role of Corporate Services in relation to land transactions.

5. Gaps in service delivery

- (a) Decentralized files.
- (b) Original/hard copies not on document management system (Collaborator).
- (c) Not enough buy-in pertaining to document management system.
- (d) Lack of knowledge of approved file- plan and legal prescriptions.
- (e) Lack of policy on Land Management.
- (f) Delegated authority to deal with land transactions (signing of approved projects as well as authority to decide on minor transactions, e.g. encroachments).
- (g) Lack of acceptance/uncertainty pertaining to role of Corporate Services in relation to land transactions.
- (h) Inability/unwillingness of departments to reply/give input on applications referred to them, hindering speedily finalization of application.
- (i) Lack of co-ordination pertaining to service agreements.
- (j) Lack of "ownership" of buildings, resulting in buildings not being properly maintained.
- (k) Lack of progress pertaining to agricultural empowerment projects.

6. Mechanisms to overcome gaps

- (a) Create a new, dedicated position (post) in Registration Section to manage hard copies (files), both at centralised office as well as decentralised offices (departmental offices) in order to comply with approved file plan/legislation.
- (b) More focus on change management by way of training and buy-in (and setting the example) from top-management.
- (c) Training and inspection (see note pertaining to new, dedicated position, supra).
- (d) Develop/finalise Land Management policy.
- (e) Re-visit System of Delegation to optimise decision making, by delegation to staff on lower levels, especially those transactions already approved on political level and those transactions with minimum impact.
- (f) Role-clarification at Management level on role of Corporate Services vis-à-vis Planning/Local Economic Development on land management.
- (g) Direction from top management to ensure buy-in at lower levels.
- (h) Agree on workflow, with dedicated person/section to drive/co-ordinate process. Signing of contracts (once approved by various departments) should be delegated to lower levels.
- (i) Clear direction at Management level on "ownership" of Municipal buildings (planning; maintenance; budgets; etc.).
- (j) Appoint "champion" to drive/co-ordinate process. Agree on policy (pertaining to criteria as well as process).

- (k) Consider signing of Memorandum of understanding (M.O.U) with other stakeholders (e.g. Dept. of Land Affairs; Agriculture) to ensure a more intergraded, co-ordinated and strategic approach to land reform/empowerment projects.

Secretariat and Administration

1. Description of the function

This function is administered at the Stellenbosch office. It renders support services to all directorates with regard to rendering administrative support.

2. The Municipality's mandate

The function receives its mandate from relevant legislation and from Council resolutions. The function reports directly to the Director of Corporate services. This support function was created based on Council's need for administrative management.

3. Strategic objectives of the function

- (a) To improve the compilation process of agendas / minutes for standing/ad hoc Committees and Council meetings. Also, to extend this type of services to participation structures.
- (b) To improve liaison between political office bearers and management / functional departments/ public.
- (c) To enhance the public image of political office bearers, especially the Executive Mayor
- (d) To explore the possibility of new support structures.

4. Gaps in service delivery

- (a) Lack of buy-in to meet deadlines pertaining agendas/minutes preparation.
- (b) Lack of IT-support to optimise new technology.
- (c) Lack of compliance: agenda items/reports.
- (d) Delays: "approval" of items.
- (e) Availability of policy documents/other information.
- (f) Optimal use of technology (meetings).
- (g) Access to information by public.

5. Mechanisms to overcome gaps

- (a) Agree on electronic workflow to enforce deadlines.
- (b) Buy-in from top management.
- (c) Optimize the use of technology, to ensure further and more sufficient distribution of agendas/minutes/and other communication.
- (d) Agree on electronic workflow (delegated as well as non-delegated items) to enforce agreed-upon inputs from specialist department (e.g. CFO and legal services).
- (e) Reconsider "pre-approval" of all items by Municipal Manager. Directors should take ownership of items at Standing Committee level. Municipal Manager should take ownership of items at Mayco and Council level.
- (f) All policy documents and other important information on e-library and/or web-page of municipality to ensure easy access.
- (g) Ensure that latest technology is optimally used to enhance communication and to optimise access to information.

FINANCIAL SERVICES

1. Description of the function

Budget Office: The Budget is compiled in conjunction with the IDP and therefore includes as wide public input as possible. In order to comply with the financial reforms, strategic input from Council and other stakeholders are obtained in an ongoing manner. Audit reports and financial statements are rigorously advertised and made available for public scrutiny as prescribed and are also submitted to the external audit committee.

Expenditure & Assets: Recording of municipal expenditure aligned with the budgets in order to ensure sound financial reporting and an accurate asset register.

Supply Chain Management: This function covers the following areas:

- Demand management
- Acquisition management
- Logistics management
- Disposal management and
- Risk management

Revenue & Valuations: To ensure that debtor accounts are delivered to all consumers for services rendered and that revenue is collected in accordance with the budget. Tariffs are determined equitably and applied.

IT: Although the IT function is placed within the Directorate Financial Services (DFS), it renders services to all directorates within the municipality and thereby ensures effective overall information management. It also has a core responsibility to ensure the general data integrity in the organisation. **The Municipality's mandate**

The relevant sections of the Directorate operate within the gambit of the applicable legislation and prescriptions as well as the following:

- (a) Council resolutions
- (b) Council policies
- (c) Powers delegated by Council

2. Strategic objectives of the function per section

Budget Office:

- (a) To compile well balanced, representative and affordable budgets informed by the IDP and available resources.
- (b) To compile accurate and reliable financial statements and reporting which reflect the true financial position of the Council.

Expenditure & Assets:

- (a) To ensure accurate accounting in the general ledgers in order to reflect actual expenditure.
- (b) To keep of Council assets, and movement of assets

Supply Chain Management:

- (a) To ensure Management commitment.
- (b) To ensure compliance with the legal framework governing procurement:
 - MFMA
 - SCM – Regulations

- SCM – Policy
- (c) To ensure accountability, responsibility, and confidentiality.

Revenue & Valuations:

- (a) To ensure optimal billing for services rendered and cash collection.
- (b) To ensure effective credit control and debt collection.
- (c) To provide free basic services to indigent consumers.

IT:

- (a) To ensure a sustainable and reliable computer network.
- (b) To ensure data integrity.
- (c) To provide an effective ICT service to the organisation.

3. Key issues

Budget Office:

- (a) Financial reforms and reporting.
- (b) Establishment of a well-functioned Budget and Treasury office.
- (c) Focus on implementation of internal control procedures.

Expenditure & Assets:

- (a) Development of complete procedures regarding payment of expenditure incurred by Council.
- (b) Effective payment management in line with relevant legislative requirements.

Supply Chain Management:

- (a) Establishment of a paperless environment and a well functioning SCM system.

Revenue & Valuations:

- (a) Debt collection.
- (b) Establishment of a well functioning Valuation Office.
- (c) Compilation and promulgation of Valuation and Rates policies.
- (d) Establish a well distributed network of pay-point facilities.

Information Technology (I.T.):

- (a) Standardisation of hardware and software.
- (b) Compatibility of various ICT systems in organisation.
- (c) Effective service delivery to end users

4. Gaps in service delivery

General:

- (a) Job evaluation and salary parity.
- (b) Filling of new posts as identified in organogram and accommodated in the new budget.
- (c) Review of Financial policies and by-laws.

Budget Office:

- (a) Establishing definite link between IDP and Operating Budget.
- (b) Execution and implementation of internal control mechanisms and procedures.

Expenditure & Assets:

- (a) Proper control mechanisms for all departments before expenditure is incurred
- (b) General shortage of staff in expenditure component.

Supply Chain Management:

- (a) Capacity constraints and office space.

Revenue & Valuations:

- (a) Enhance debt recovery and effectiveness of credit control:
- (b) Need for transfer of data to new valuation system.
- (c) Write off of irrecoverable debt

IT:

- (a) Budget constraints to keep up with operational needs and new requirements.
- (b) Lack of co-ordinated approach to IT function by various directorates.
- (c) Non-compliance to policies regarding E-mail and Internet access
- (d) Disaster Recovery procedures.

5. Analysis of the function

Service	30 days	60 days	90 days	120 days +	Total
Water s	724 104	521 577	568 272	5 706 709	7 520 662
Electricity	572 144	257 363	277 243	4 078 492	5 185 242
Property Rates	639 571	403 425	365 626	11 867 450	13 276 072
Refuse Removal	126 580	92 814	91 673	5 565 354	5 876 421
Sewerage	189 981	97 505	78 329	5 700 492	6 066 307
Rentals & Loans	271 959	241 691	505 559	13 376 190	14 395 398
Sundries	49 076	18 154	32 986	2 548 908	2 649 123
Total	2 573 414	1 632 529	1 919 689	48 843 593	54 969 225

Bad Debt Written Off:

Service	Total
Water s	2 562 350
Electricity	888 655
Property Rates	4 044 029
Refuse Removal	2 163 429
Sewerage	1 973 943
Rentals & Loans	5 559 121
Sundries	0
Total	17 191 527

Property rates (Residential) (Income)	Number	Value
• Properties rated	16 718	43 736 524
• Properties not rated (newly incorporated rural settlements)		0
• Rate exemptions: Included under "Other" below		0
• Rates collectible for the current year		43 736 524
Property rates (Other) (Income)	Number	Value
• Properties rated	4768	42 930 283
• Properties not rated (newly incorporated rural properties)		0
• Rate exemptions	1320	0
• Rates collectible for the current year		42 930 283
Property valuation (Income)	Year	Cycle
• Year of last valuation	2004	
• Regularity of valuation (cycle)		4 years
Indigent Policy (Income)	Total	Value
• Number of households affected	8399	
• Total value across municipality		14 019 716
Creditor Payments (Expenditure)	Value	Age
Note: No large regular creditors outstanding for more than 30 days The 5 largest monthly creditors are (June 2006):	13 032 806	
• ESKOM	7 327 267	
• OBSA	1 706 306	
• Cape Joint Retirement Fund	1 529 693	
• Masterplan projects	1 409 510	
• SARS	1 060 030	
Credit Rating: No credit evaluation was undertaken		
		Value
External Loans: DBSA		26 072 555

Financial Institution	Balance at 01/07/2005	Redemption	Redemption	Balance at 30/06/2006
OBSA	8 315 965	26 072 555	1 566 337	32 822 183
ABSA	41 930	41 930	0	0

Delayed and default payments:		
Council has not delayed payment on any loan, statutory payment or defaulted on any other payment of a material nature		

STELLENBOSCH MUNICIPALITY: DISCLOSURES OF GRANTS AND SUBSIDIES FOR THE YEAR ENDED 30 JUNE 2006

IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Name of Grant	Name of organ of state	Quarterly Receipts				Quarterly Expenditure			Grants and Subsidies delayed / withheld					Reasons for delay / withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act?	Reason for non-compliance
		September	December	March	June	September	December	March	June	September	December	March	June			
Equitable share	National Government	4 260 214	0	8 520 428	0	4 260 214	0	8 520 428	0	0	0	0	0		Yes	
Provincial health subsidies	Dept Health	0	1 129 440	1 349 792	3 987 512	1 129 440	1 349 792	1 925 783	2 061 729	0	0	0	0		Yes	
Performance management		0	0	0	0	0	0	37 630	29 313	0	0	0	0		Yes	
Financial management grant	National Treasury	1 000 000	0	0	0	94 235	950 975	354 620	26 140	0	0	0	0		Yes	
LGWSETA Training		0	0	341 417	37 910	0	4 051	133 099	143 162	0	0	0	0		Yes	
Infrastructure roads & stormwater	PAWC	0	0	0	62 406	0	0	62 406	0	0	0	0	0		Yes	
Electricity asset valuation	CWDM	0	0	0	49 000	0	0	0	49 000	0	0	0	0		Yes	
Magazine subsidy	PAWC	362	0	0	2 253	362	0	0	2 253	0	0	0	0		Yes	
Proclaimed roads maintenance	PAWC	0	0	80 000	0	0	0	80 000	0	0	0	0	0		Yes	

National government - Capital projects	MIG Funds	4 650 000	0	4 150 000	1 138 319	610 903	2 197 083	2 903 944	4 096 881	0	0	0	0	Yes
Provincial government - Capital projects	National Housing Board, DME, PAWC	0	0	12 193 780	2 108 351	0	0	0	24 911 244	0	0	0	0	Yes
		9 910 576	1 129 440	26 635 418	7 385 751	6 095 154	4 501 902	14 017 910	31 319 723	0	0	0	0	

6. Mechanisms to overcome gaps

General:

- (a) Job evaluation and salary parity: Complete job evaluations. Implement the results of job evaluations and budget accordingly.
- (b) Review of Financial policies and by-laws. Alignment of existing policies and by-laws with relevant new legislation and Regulations.

Budget Office:

- (a) Install process to link IDP and Operating Budget.
- (b) Execution and implementation of internal control mechanisms and procedures. – introducing workflow documentation and procedure manuals

Expenditure & Assets:

- (a) Proper control mechanisms for all departments before expenditure is incurred:
 - Personnel must be educated to treat the supporting documentation with the necessary care.
 - Approval of invoices must be speeded up.
 - Introduction of electronic payment of all accounts payable.
- (b) Redesign of organogram to address shortage of staff.

Supply Chain Management:

- (a) Revision of staff component and functional areas.
- (b) Availability of adequate office space.

Revenue & Valuations:

- (a) Implement business plan on debt recovery and credit control to address:
 - Writing off of debts/bad debts.
 - Investigate and implement more innovative debt recovery measures.
- (b) Complete development of electronic bank reconciler.
- (c) Incorporate present valuation personnel and records and improve systems

Information Technology (I.T.):

- (a) Budget constraints to keep up with operational needs and new requirements.
 - Secure adequate Operating and Capital budgets to render an effective IT service.
- (b) Lack of co-ordinated approach to IT function by various directorates can be addressed through implementing MSP.
- (c) Non-compliance to policies regarding E-mail and Internet access.
 - Enforce and revise ICT policies.
 - Stricter control over Internet access.
- (d) Disaster Recovery procedures
 - Development of a disaster recovery plan

CHAPTER 6

Conclusion

The new political dispensation in Stellenbosch came into power during March 2006, nine months into the financial year covered by this report. Although this new leadership will bring new dynamism to service delivery by the municipality, this report does not really reflect this yet. The next year's Annual Report will prove the results in terms of a New Integrated Development Plan with a changed focus and an emphasis on improved service delivery.

The Auditor General's Report is a qualified report. The issue of qualification are being attended to, and although there are concerns on certain aspects, the financial standing of the municipality is sound.

The continuation of service delivery and good results reflected in this report may also be attributed to a large core of competent and skilled officials, who are hereby thanked.

To those Councillors and other role players who made positive contributions towards attaining good results, a word of appreciation is hereby extended.